



Federal Register

**Tuesday,
December 26, 2000**

Part III

Department of Agriculture

Rural Housing Service

**Housing Programs: Multi-Family, Single
Family, Rural Rental, Farm Labor, and
Preservation; Grants and Funding
Availability; Notices**

DEPARTMENT OF AGRICULTURE**Rural Housing Service****Notice of Availability of Funds; Multi-Family Housing, Single Family Housing****AGENCY:** Rural Housing Service, USDA.**ACTION:** Notice.

SUMMARY: The Rural Housing Service (RHS) announces the availability of housing funds for fiscal year 2001 (FY 2001). This action is taken to comply with 42 U.S.C. 1490p, which requires that RHS publish in the **Federal Register** notice of the availability of any housing assistance.

EFFECTIVE DATE: December 26, 2000.**FOR FURTHER INFORMATION CONTACT:**

Michael S. Feinberg, Chief, Loan Origination Branch, Single Family Housing, Direct Loan Division, Stop 0783, U.S. Department of Agriculture, 1400 Independence Ave., SW, Washington, D.C., 20250, telephone (202) 720-3214. (This is not a toll free number).

SUPPLEMENTARY INFORMATION:**Programs Affected**

The following programs are subject to the provisions of Executive Order 12372 that requires intergovernmental consultation with State and local officials. These programs or activities are listed in the Catalog of Federal Domestic Assistance under Nos.

- 10.405 Farm Labor Housing (LH) Loans and Grants
- 10.410 Very Low to Moderate Income Housing Loans
- 10.411 Rural Housing Site Loans and Self-Help Housing Land Development Loans
- 10.415 Rural Rental Housing Loans
- 10.417 Very Low Income Housing Repair Loans and Grants
- 10.420 Rural Self-Help Housing Technical Assistance
- 10.427 Rural Rental Assistance Payments
- 10.433 Rural Housing Preservation Grants
- 10.442 Housing Application Packaging Grants

Discussion of Notice

Part 1940, subpart L of 7 CFR contains the "Methodology and Formulas for Allocation of Loan and Grant Program Funds." The following guidance has been provided to our State offices on FY 2001 appropriations and access to funds. Separate guidance has been provided to our State offices for assistance available in our Multi- and Single-Family Housing programs as follows:

Multi-Family Housing (MFH)**I. General**

A. This provides guidance on MFH funding for the Rural Rental Housing program (RRH) for FY 2001. Allocation computations have been performed in accordance with 7 CFR 1940.575 and 1940.578. For FY 2001, State Directors, under the Rural Housing Assistance Grants (RHAG), will have the flexibility to transfer their initial allocations of budget authority between the Single Family Housing (SFH) section 504 Rural Housing Grants and section 533 Housing Preservation Grant (HPG) programs.

B. MFH Loan and Grant Levels for FY 2001 Are as Follows

MFH Loan Programs Credit Sales:
 \$1,782,582
 Section 514 Farm Labor Housing (LH) loans: \$28,522,532
 Section 515 Rural Rental Housing (RRH) loans: \$114,321,087
 Section 521 Rental Assistance (RA): \$680,000,000
 Section 516 LH grants: \$15,000,000 (does not include carryover)
 Sections 525 Technical and Supervisory Assistance grants (TSA) and 509 Housing Application Packaging grants (HAPG) (Shared between single and multi-family housing): \$1,687,543 (includes carryover)
 Section 533 Housing Preservation grants (HPG): \$8,000,000 (does not include carryover)
 Section 538 Guaranteed Rural Rental Housing program: \$100,000,000 (does not include carryover)
 Processing Worker Housing Grants: \$5,000,000

II. Funds Not Allocated to States**A. Credit Sales Authority**

For FY 2001, \$1,782,582 will be set aside for credit sales to program and nonprogram buyers. Credit sale funding will not be allocated by State.

B. Section 538 Guaranteed Rural Rental Housing Program

Guaranteed loan funds will be made available under a Notice of Funding Availability (NOFA) being published in the **Federal Register**. Additional guidance will be provided at that time.

III. Farm Labor Housing (LH) Loans and Grants

This is a new single funding account for the farm labor housing program that includes both loans and grants. The Administrator has the authority to transfer funds between the two programs. Upon NOFA closing the Administrator will evaluate the

responses and determine proper distribution of funds between loans and grants.

A. Section 514 Farm LH Loans

1. These loans are funded in accordance with 7 CFR 1940.579(a). FY 2001 Appropriation: \$28,522,532
 Available for Off-Farm Loans:

\$23,522,000

Available for On-Farm Loans:

\$2,000,000

National office Reserve: \$3,000,532

2. Off-farm loan funds will be made available under a NOFA being published in the **Federal Register**. Additional guidance will be provided in the NOFA.

B. Section 516 Farm LH Grants

1. Grants are funded in accordance with 7 CFR 1940.579(b). Unobligated prior year balances and cancellations will be added to the amount shown. FY 2001 Appropriation: \$15,000,000
 Available for LH Grants for Off-Farm:

\$10,000,000

Available for Technical Assistance

Grants: \$1,500,000

National office Reserve: \$3,500,000

2. Labor Housing grant funds for Off-Farm will be made available under a NOFA being published in this **Federal Register**. Additional guidance will be provided in the NOFA.

3. Technical assistance grants will be made available under a NOFA being published in this **Federal Register**. Additional guidance will be provided in the NOFA.

C. Processing Worker Housing Grant funds in the amount of \$5 million will be made available under a Notice of Funding Availability (NOFA) that will be published later this fiscal year. Additional guidance will be provided in the NOFA.

D. Labor Housing Rental Assistance (RA) will be held in the National office for use with LH loan and grant applications. RA is only available with an LH loan of at least 5 percent of the total development cost. Projects without a LH loan cannot receive RA.

IV. Section 515 RRRH Loan Funds

FY 2001 section 515 Rural Rental Housing allocation (Total):

\$114,321,087

New Construction funds and set-asides:

\$49,000,000

New construction loans: \$16,980,753

Set-aside for nonprofits: \$10,288,998

Set-aside for underserved counties and colonias: \$5,716,054

Earmark for EZ, EC, or REAP Zones:

\$14,514,195

State RA designated reserve: \$1,500,000

Rehab and repair funds and equity:

\$55,000,000

Rehab and repair loans: \$50,000,000
 Designated equity loan reserve:
 \$5,000,000
 General reserve: \$10,321,087

A. New Construction Loan Funds

New construction loan funds will be made available using a national NOFA being published in the **Federal Register**. Upon closing of the NOFA, States will submit a list, in rank order of the eligible projects.

B. National Office New Construction Set-asides

The following legislatively mandated set-asides of funds are part of the National office set-aside:

1. Nonprofit Set-Aside

An amount of \$10,288,998 has been set aside for nonprofit applicants. All Nonprofit loan proposals must be located in designated places as defined in RD Instruction 1944-E.

2. Underserved Counties and Colonias Set-Aside

An amount of \$5,716,054 has been set aside for loan requests to develop units in the underserved 100 most needy counties or colonias as defined in section 509(f) of the Housing Act of 1949 as amended. Priority will be given to proposals to develop units in colonias or tribal lands.

3. EZ, EC or REAP Zone Earmark

An amount of \$14,514,195 has been earmarked for loan requests to develop units in EZ or EC communities or REAP Zones until June 30, 2001.

C. Rental Assistance (RA)

Limited new construction RA will be held in the National office for use with section 515 Rural Rental Housing loans.

D. Designated Reserves for State RA

An amount of \$1.5 million of section 515 loan funds has been set aside for matching with projects in which an active State sponsored RA program is available. The State RA program must be comparable to the RHS RA program.

E. Repair and Rehabilitation Loans

Tenant health and safety continues to be the top priority. Repair and rehabilitation funds must be first targeted to RRH facilities that have physical conditions that affect the health and safety of tenants and subsequently made available to facilities that have deferred maintenance. All funds will be held in the National office and will be distributed based upon indicated rehabilitation needs in the MFH survey conducted in October 2000.

F. Designated Reserve for Equity Loans

An amount of \$5 million has been designated for the equity loan preservation incentive described in RD Instruction 1965-E. The \$5 million will be further divided into \$4 million for equity loan requests currently on the pending funding list and \$1 million to facilitate the transfer of properties from for-profit owners to nonprofit corporations and public bodies. Funds for such transfers would be authorized only for for-profit owners who are currently on the pending funding list who agree to transfer to nonprofit corporations or public bodies rather than to remain on the pending list. If insufficient transfer requests are generated to utilize the full \$1 million set aside for nonprofit and public body transfers, the balance will revert to the existing pending equity loan funding list.

G. General Reserve

There is one general reserve fund of \$10,321,087. Some examples of immediate allowable uses include, but are not limited to, hardships and emergencies, RH cooperatives or group homes, or RRH preservation.

V. Section 533 Housing Preservation Grants (HPG)

Total Available: \$8,000,000
 Less General Reserve: \$800,000
 Less Earmark for EZ, EC or REAP Zones: \$600,000
 Total Available for Distribution: \$6,600,000

Amount available for allocation. See end of this Notice for HPG State allocations. Fund availability will be announced in a NOFA being published in the **Federal Register**.

The amount of \$600,000 is earmarked for EZ, EC or REAP Zones until June 30, 2001.

Single Family Housing (SFH)

I. General

A. This Notice Provides SFH Allocations for FY 2001

Allocation computations have been made in accordance with 7 CFR 1940.563 through 1940.568. Information on basic formula criteria, data source and weight, administrative allocation, pooling of funds, and availability of the allocation are located on a chart at the end of this notice.

B. The SFH Levels Authorized for FY 2001 are as Follows

Section 502 Guaranteed Rural Housing (RH) loans
 Nonsubsidized Guarantees:
 \$3,144,568,810

Section 502 Direct RH loans

Very low-income subsidized loans:
 \$469,479,450
 Low-income subsidized loans:
 \$597,519,300
 Credit sales (Non program): \$10,000,000
 Section 504 housing repair loans:
 \$32,395,598
 Section 504 housing repair grants:
 \$30,000,000
 Section 509 compensation for construction defects: \$755,821
 Section 523 mutual and self-help housing grants: \$34,000,000
 Section 523 Self-Help Site Loans:
 \$5,008,976
 Section 524 RH site loans: \$5,128,000
 Section 306C Water and waste disposal grants: \$1,099,297
 Section 525 Supervisory and technical assistance and section 509 Housing Application Packaging Grants Total Available for single and multi-family: \$1,687,543
 Natural disaster funds (Section 502 loans): \$10,495,428
 Natural disaster funds (Section 504 loans): \$12,590,353
 Natural disaster funds (Section 504 grants): \$7,464,372

Carryover funds are included in the balance.

Does not include North Carolina Elderly Demonstration Program.

Includes \$1,000,000 for EZ/EC and REAP communities until June 30, 2001.

C. SFH Funding not Allocated to States are

1. Credit Sale Authority

Credit sale funds are available only for non-program sales of Real Estate Owned (REO) property.

2. Section 509 Compensation for Construction Defects

All claims for compensation for construction defects must be submitted to the National office for authorization prior to approval.

3. Section 523 Mutual and Self-Help Technical Assistance Grants

\$34 million has been appropriated for section 523 Mutual and Self-Help Technical Assistance Grants. Of these funds, \$1 million is earmarked for EZ, EC or REAP Zones until June 30, 2001. The State Director must request funding approval from the National office for all requests. A technical review and analysis must be completed by the Technical and Management Assistance (T&MA) contractor on all predevelopment, new, and existing (refunding) grant applications.

4. Section 523 Mutual and Self-Help Site Loans and Section 524 RH Site Loans

The State Director must request funding authority from the National office prior to obligating loan funds.

5. Section 306C WWD Grants to Individuals in Colonias

The objective of the section 306C WWD individual grant program is to facilitate the use of community water or waste disposal systems for the residents of the colonias along the U.S.-Mexico border.

The total amount available to Arizona, New Mexico, and Texas will be \$1,099,297 for FY 2001. This amount includes the carryover unobligated balance of \$99,297 and the transferred amount of \$1.0 million from the Rural Utilities Service (RUS) to RHS for processing individual grant applications. These States will have access to the equal quarterly allocation distributions.

6. Section 525 Technical and Supervisory Assistance (TSA) and Section 509 Housing Application Packaging Grants (HAPG)

One million dollars of new funds and \$687,543 of carry-over funds from previous years remain available for the TSA and HAPG programs. State Directors should submit proposals from potential applicants to the National office for review and concurrence prior to authorizing an application. The 29 eligible States under HAPG that have active grantees operating will be able to access up to \$5,000 for section 502 or 504 loan and grant programs in order to continue operations. Reserve requests will be considered on a first-come, first-served basis.

7. Natural Disaster Funds

Funds are available until exhausted to those States that have received a Presidential Declaration.

8. Deferred Mortgage Payment Demonstration

There is no FY 2001 funding provided for deferred mortgage authority or loans for deferred mortgage assumptions.

9. Section 502 Direct Funds for Families Not Qualifying for Payment Assistance

Funds from State's allocation may be used for qualified very low- and low-income applicants when the payment assistance formula shows there is no need for the subsidy.

II. State Allocations

A. Section 502 Nonsubsidized Guaranteed RH (GRH) Loans

1. Amount Available for Allocation

Total Available: \$3,144,568,810
Less National office General Reserve: \$704,948,167
Less Special Outreach Area Reserve: \$300,120,643
Basic Formula—Administrative Allocation: \$2,137,500,000

2. National office General Reserve

The Administrator may restrict access to this reserve for States not meeting their goals in special outreach areas.

3. Reservation of Funds

Because it is anticipated that demand will exceed available funds, States must use the reservation of funds system per § 1980.351 of RD Instruction 1980-D.

4. Special Outreach Areas

FY 2001 GRH funding is allocated to States in two funding streams (70/30) similar to the 60/40 income split for direct SFH funds. Seventy percent of GRH funds may be used in any eligible area. Thirty percent of GRH funds are to be used in special outreach areas. Special outreach areas are counties with median incomes at or below the State's nonmetropolitan median income. Each funding stream will independently be subject to pooling.

5. National Office Special Area Outreach Reserve

A special outreach area reserve fund has been established at the National office. Funds from this reserve may only be used in special outreach areas.

6. Suballocation by the State Director

The State Director may retain funds at the State office level or suballocate to the Area or Field office level.

B. Section 502 Direct RH Loans

1. Amount Available for Allocation

Total Available: \$1,066,998,755
Less Required Set Aside for Underserved Counties and Colonias: \$53,349,937
EZ, EC and REAP Earmark: \$38,757,160
Less General Reserve: \$146,500,000
Administrator's Reserve: \$30,000,000
Hardships & Homelessness: \$3,500,000
Homeownership Partnership: \$90,000,000
Rural Housing Demonstration Program: \$3,000,000
Program funds for the sale of REO properties: \$20,000,000
Less Designated Reserve for Self-Help: \$125,000,000

Basic Formula Administrative Allocation: \$703,391,658

2. Reserves

a. *State Office Reserve.* State Directors must maintain an adequate reserve to fund the following applications:

(i) Hardship and homeless applicants based upon historical data and projected demand. This shall include the direct section 502 loan and section 504 loan and grant programs.

(ii) The State's 25 percent portion of funds for Mutual Self-Help loans.

(iii) Subsequent loans for essential improvements or repairs and transfers with assumptions.

(iv) Financing for the purchase of program REOs when the National office reserve has been exhausted.

(v) States will leverage an amount equal to 25 percent of their initial low-income allocation and 5 percent of their initial very low-income allocation with funding from other sources. For example if a State receives an initial low-income allocation of \$900,000 the amount to be leveraged from other sources would be \$225,000 (\$900,000 × 25 percent) for a total RHS and other funding source of \$1,125,000 (\$900,000 + \$225,000).

(vi) Areas targeted by the State according to its strategic plan.

b. *National Office Reserves.*

(i) *General Reserve.* The National office has a general reserve of \$146.5 million. Of this amount, the Administrator's reserve is \$30 million. One of the purposes of the Administrator's reserve will be for loans in Indian Country. Indian Country is defined as land inside the boundaries of Indian reservations, communities made up mainly of Native Americans, Indian trust and restricted land, and tribal allotted lands. The remaining reserves will be established as follows:

(ii) *Hardship and Homelessness Reserve.* \$3.5 million has been set aside for hardships and homeless.

(iii) *Homeownership Partnership.* Ninety million dollars has been set aside for Homeownership Partnerships. These funds will be used to expand existing partnerships and create new partnerships, such as the following:

(A) Department of Treasury, Community Development Financial Institutions (CDFI)—Funds will be available to fund leveraged loans made in partnership with the Department of Treasury CDFI participants.

(B) Rural Home Loan Partnership (RHLP). Partnership initiatives established to carry out the objectives of the National Partners in Homeownership including the RHLP and other strategies or initiatives.

(iv) Rural Housing Demonstration Program. Three million dollars has been set aside for innovative demonstration initiatives.

(v) Program credit sales. Twenty million dollars has been set aside for program sales of REO property. There will be no State distribution of program credit sale authority, rather funds will be available on a first-come, first-served basis.

c. *Designated Reserve for Self-Help*. One hundred twenty-five million dollars has been set aside for matching funds to assist participating Self-Help applicants. The matching funds were established on the basis of the National office contributing 75 percent from the National office reserve and States contributing 25 percent of their allocated section 502 RH funds.

d. *Underserved Counties and Colonias*. An amount of \$53,349,937 has been set aside for the 100 underserved counties and colonias.

e. *Empowerment Zone (EZ) and Enterprise Community (EC) Earmark*. An amount of \$38,757,160 has been earmarked until June 30, 2001 for loans in EZ, EC or REAP Zones. Further information will follow.

f. *Reserve Requests*. All National office reserve requests should be submitted by the State Director to the National office on a case-by-case basis.

g. *State Office Pooling*. If pooling is conducted within a State, it must not

take place within the first 30 calendar days of the first, second, or third quarter. (There are no restrictions on pooling in the fourth quarter.)

h. *Suballocation by the State Director*.

The State Director may suballocate to each area office using the methodology and formulas required by 7 CFR part 1940, subpart L. If suballocated to the area level, the Rural Development Manager will make funds available on a first-come, first-served basis to all offices at the field or area level. No field office will have its access to funds restricted without the prior written approval of the Administrator.

C. *Section 504 Housing Loans and Grants*

Section 504 grant funds are included in the Rural Housing Assistance Grant program (RHAG) in the FY 2001 appropriation.

1. Amount available for allocation

Section 504 Loans
Total Available: \$32,395,598
Less 5% for 100 Underserved Counties and Colonias: \$1,619,780
EZ, EC or REAP Zone Earmark: \$1,287,968
Less General Reserve: \$1,500,000
Basic Formula—Administrative Allocation: \$27,987,850
Section 504 Grants
Total Available: \$30,000,000
Less 5% for 100 Underserved Counties and Colonias: \$1,500,000

Less EZ, EC or REAP Earmark: \$600,000
Less General Reserve: \$1,500,000

Basic Formula—Administrative Allocation: \$26,400,000

2. Reserves and Set-Asides

a. *State Office Reserve*. State Directors must maintain an adequate reserve to handle all anticipated hardship applicants based upon historical data and projected demand.

b. *Underserved Counties and Colonias*. Approximately \$1.62 million and \$1.5 million have been set aside for the 100 underserved counties and colonias until June 30, 2001 for the section 504 loan and grant programs, respectively.

c. *Empowerment Zone (EZ) and Enterprise Community (EC) Earmark (Loan Funds Only)*. Approximately \$1.288 million and \$600,000 have been earmarked through June 30, 2001 for EZ, EC or REAPs for the section 504 loan and grant programs, respectively.

d. *National Office Reserve*. \$1.5 million for section 504 loan hardships and \$1.5 million for section 504 grant extreme hardships have been set-aside in the general reserve. For section 504 grants, an extreme hardship case is one requiring a significant priority in funding, ahead of other requests, due to severe health or safety hazards, or physical needs of the applicant.

INFORMATION ON BASIC FORMULA CRITERIA, DATA SOURCE AND WEIGHT, ADMINISTRATIVE ALLOCATION, POOLING OF FUNDS, AND AVAILABILITY OF THE ALLOCATION

Description	Section 502 unsubsidized guaranteed RH loans	Section 502 Direct RH loans	Section 504 loans and grants
1. Basic formula criteria, data source, and weight.	See 7 CFR 1940.563(b)	See 7 CFR 1940.565(b)	See 7 CFR 1940.566(b) and 1940.567(b).
2. Administrative Allocation: Western Pacific Area	\$1,000,000	\$1,000,000	\$1,000,000 loan. \$500,000 grant.
3. Pooling of funds:			
a. Mid year pooling	If necessary	If necessary	If necessary.
b. Year-end pooling	August 17, 2001	August 17, 2001	August 17, 2001.
c. Underserved counties & colonias.	N/A	June 30, 2001	June 30, 2001.
d. EZ, EC or REAP	N/A	June 30, 2001	June 30, 2001.
e. Credit sales	N/A	June 30, 2001	N/A.
4. Availability of the allocation:			
a. first quarter	50 percent	50 percent	50 percent.
b. second quarter	75 percent	70 percent	70 percent.
c. third quarter	90 percent	90 percent	90 percent.
d. fourth quarter	100 percent	100 percent	100 percent.

1. Data derived from the 1990 U.S. Census was provided to each State by the National office on August 12, 1993.

2. Due to the absence of Census data.

3. All dates are tentative and are for the close of business (COB). Pooled funds will be placed in the National

office reserve and made available administratively. The Administrator reserves the right to redistribute funds based upon program performance.

4. Funds will be distributed cumulatively through each quarter

listed until the National office year-end pooling date.

Dated: December 15, 2000.

James C. Kearney,
Administrator, Rural Housing Service.

BILLING CODE 3410-XV-U

Rural Housing Service FY 2000
Multi-Family Housing
Section 533
Housing Preservation Grant

STATE	FORMULA FACTOR	TOTAL ALLOCATION
AL	0.02957	\$195,162
AK	0.00587	\$38,742
AZ	0.01780	\$117,480
AR	0.02310	\$152,460
CA	0.04653	\$307,098
CO	0.00840	\$55,440
DE	0.00190	\$12,540
MD	0.00880	\$58,080
FL	0.02890	\$190,740
GA	0.03867	\$255,222
HI	0.00790	\$52,140
WPA	0.00647	\$42,702
ID	0.00743	\$49,038
IL	0.02250	\$148,500
IN	0.02157	\$142,362
IA	0.01340	\$88,440
KS	0.01130	\$74,580
KY	0.03483	\$229,878
LA	0.03170	\$209,220
ME	0.00913	\$60,258
MA	0.00793	\$52,338
CT	0.00453	\$29,898
RI	0.00100	\$6,600
MI	0.02977	\$196,482
MN	0.01673	\$110,418
MS	0.03180	\$209,880
MO	0.02460	\$162,360
MT	0.00620	\$40,920
NE	0.00713	\$47,058
NV	0.00263	\$17,358
NJ	0.00657	\$43,362
NM	0.01437	\$94,842
NY	0.02753	\$181,698
NC	0.04497	\$296,802
ND	0.00413	\$27,258
OH	0.03450	\$227,700
OK	0.01917	\$126,522
OR	0.01423	\$93,918
PA	0.03687	\$243,342
PR	0.04923	\$324,918
SC	0.02690	\$177,540
SD	0.00597	\$39,402
TN	0.02973	\$196,218
TX	0.07645	\$504,570
UT	0.00430	\$28,380
VT	0.00403	\$26,598
NH	0.00503	\$33,198
VI	0.00273	\$18,018
VA	0.02660	\$175,560
WA	0.01743	\$115,038
WV	0.01937	\$127,842
WI	0.01873	\$123,618
WY	0.00307	\$20,262
DISTR.	1.00000	\$6,600,000
N/O RES.		\$800,000
EZ/EC/REAP		\$600,000
TTL AVAIL.		\$8,000,000

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RURAL HOUSING SERVICE
FISCAL YEAR 2001 ALLOCATION IN THOUSANDS
SECTION 502 DIRECT RURAL HOUSING LOANS

STATES	STATE BASIC FORMULA FACTOR	TOTAL FY 2001 ALLOCATION
ALABAMA	0.0267275	\$18,773
ALASKA	0.0055160	\$3,874
ARIZONA	0.0145422	\$10,214
ARKANSAS	0.0208104	\$14,617
CALIFORNIA	0.0454819	\$31,946
COLORADO	0.0091766	\$6,446
DELAWARE	0.0024571	\$1,726
MARYLAND	0.0115334	\$8,101
FLORIDA	0.0312406	\$21,943
VIRGIN ISLANDS	0.0020058	\$1,409
GEORGIA	0.0374586	\$26,311
HAWAII	0.0067195	\$4,720
W PAC ISLANDS	N/A	\$1,000
IDAHO	0.0076722	\$5,389
ILLINOIS	0.0266774	\$18,738
INDIANA	0.0270785	\$19,020
IOWA	0.0163474	\$11,482
KANSAS	0.0127369	\$8,946
KENTUCKY	0.0288838	\$20,288
LOUISIANA	0.0246715	\$17,329
MAINE	0.0108314	\$7,608
MASSACHUSETTS	0.0109818	\$7,714
CONNECTICUT	0.0066693	\$4,684
RHODE ISLAND	0.0015545	\$1,092
MICHIGAN	0.0353525	\$24,831
MINNESOTA	0.0199077	\$13,983
MISSISSIPPI	0.0250226	\$17,576
MISSOURI	0.0252733	\$17,752
MONTANA	0.0063685	\$4,473
NEBRASKA	0.0086752	\$6,093
NEVADA	0.0028583	\$2,008
NEW JERSEY	0.0097784	\$6,868
NEW MEXICO	0.0110320	\$7,749
NEW YORK	0.0359041	\$25,219
NORTH CAROLINA	0.0484405	\$34,024
NORTH DAKOTA	0.0045131	\$3,170
OHIO	0.0390131	\$27,402
OKLAHOMA	0.0174005	\$12,222
OREGON	0.0154949	\$10,884
PENNSYLVANIA	0.0467857	\$32,862
PUERTO RICO	0.0239695	\$16,836
SOUTH CAROLINA	0.0258249	\$18,139
SOUTH DAKOTA	0.0062682	\$4,403
TENNESSEE	0.0291846	\$20,499
TEXAS	0.0660415	\$46,387
UTAH	0.0040618	\$2,853
VERMONT	0.0052653	\$3,698
NEW HAMPSHIRE	0.0072711	\$5,107
VIRGINIA	0.0289841	\$20,358
WASHINGTON	0.0187042	\$13,138
WEST VIRGINIA	0.0175008	\$12,292
WISCONSIN	0.0237188	\$16,660
WYOMING	0.0036105	\$2,536
STATE TOTALS	1.0000000	\$703,391
100 UNDERSERVED COUNTIES/COLONIAS		\$53,350
EMPOWERMENT ZONES AND ENTERPRISE COMMUNITY EARMARK		\$38,757
GENERAL RESERVE		\$146,500
SELF HELP		\$125,000
TOTAL		\$1,066,998

RURAL HOUSING SERVICE
FISCAL YEAR 2001 ALLOCATION IN THOUSANDS
SECTION 502 DIRECT RURAL HOUSING LOANS

STATES	TOTAL FY 2001 ALLOCATION	VERY LOW-INCOME ALLOCATION 40 PERCENT	LOW-INCOME ALLOCATION 60 PERCENT
ALABAMA	\$18,773	\$7,509	\$11,264
ALASKA	\$3,874	\$1,550	\$2,325
ARIZONA	\$10,214	\$4,086	\$6,129
ARKANSAS	\$14,617	\$5,847	\$8,770
CALIFORNIA	\$31,946	\$12,778	\$19,168
COLORADO	\$6,446	\$2,578	\$3,867
DELAWARE	\$1,726	\$690	\$1,036
MARYLAND	\$8,101	\$3,240	\$4,861
FLORIDA	\$21,943	\$8,777	\$13,166
VIRGIN ISLANDS	\$1,409	\$564	\$845
GEORGIA	\$26,311	\$10,524	\$15,786
HAWAII	\$4,720	\$1,888	\$2,832
W PAC ISLANDS	\$1,000	\$400	\$600
IDAHO	\$5,389	\$2,156	\$3,233
ILLINOIS	\$18,738	\$7,495	\$11,243
INDIANA	\$19,020	\$7,608	\$11,412
IOWA	\$11,482	\$4,593	\$6,889
KANSAS	\$8,946	\$3,579	\$5,368
KENTUCKY	\$20,288	\$8,115	\$12,173
LOUISIANA	\$17,329	\$6,932	\$10,397
MAINE	\$7,608	\$3,043	\$4,565
MASSACHUSETTS	\$7,714	\$3,085	\$4,628
CONNECTICUT	\$4,684	\$1,874	\$2,811
RHODE ISLAND	\$1,092	\$437	\$655
MICHIGAN	\$24,831	\$9,933	\$14,899
MINNESOTA	\$13,983	\$5,593	\$8,390
MISSISSIPPI	\$17,576	\$7,030	\$10,545
MISSOURI	\$17,752	\$7,101	\$10,651
MONTANA	\$4,473	\$1,789	\$2,684
NEBRASKA	\$6,093	\$2,437	\$3,656
NEVADA	\$2,008	\$803	\$1,205
NEW JERSEY	\$6,868	\$2,747	\$4,121
NEW MEXICO	\$7,749	\$3,100	\$4,649
NEW YORK	\$25,219	\$10,087	\$15,131
NORTH CAROLINA	\$34,024	\$13,610	\$20,414
NORTH DAKOTA	\$3,170	\$1,268	\$1,902
OHIO	\$27,402	\$10,961	\$16,441
OKLAHOMA	\$12,222	\$4,889	\$7,333
OREGON	\$10,884	\$4,353	\$6,530
PENNSYLVANIA	\$32,862	\$13,145	\$19,717
PUERTO RICO	\$16,836	\$6,734	\$10,102
SOUTH CAROLINA	\$18,139	\$7,256	\$10,884
SOUTH DAKOTA	\$4,403	\$1,761	\$2,642
TENNESSEE	\$20,499	\$8,200	\$12,299
TEXAS	\$46,387	\$18,555	\$27,832
UTAH	\$2,853	\$1,141	\$1,712
VERMONT	\$3,698	\$1,479	\$2,219
NEW HAMPSHIRE	\$5,107	\$2,043	\$3,064
VIRGINIA	\$20,358	\$8,143	\$12,215
WASHINGTON	\$13,138	\$5,255	\$7,883
WEST VIRGINIA	\$12,292	\$4,917	\$7,375
WISCONSIN	\$16,660	\$6,664	\$9,996
WYOMING	\$2,536	\$1,014	\$1,522
STATE TOTALS	\$703,391	\$281,356	\$422,035
100 Underserved Counties and Colonias	\$53,350	\$21,340	\$32,010
EZ/EC/REAP Reserve	\$38,757	\$15,503	\$23,254
General Reserve	\$146,500	\$81,280	\$65,220
Self-Help	\$125,000	\$70,000	\$55,000
TOTAL	\$1,066,998	\$469,479	\$597,519

RURAL HOUSING SERVICE
 FISCAL YEAR 2001
 ALLOCATION IN THOUSANDS
 SECTION 502 GUARANTEED LOANS (NONSUBSIDIZED)

STATES	STATE BASIC FORMULA FACTOR	TOTAL FY 2001 ALLOCATION
ALABAMA	0.0253847	\$54,235
ALASKA	0.0061561	\$13,153
ARIZONA	0.0155290	\$33,178
ARKANSAS	0.0213661	\$45,649
CALIFORNIA	0.0524861	\$112,136
COLORADO	0.0100701	\$21,515
DELAWARE	0.0024043	\$5,137
MARYLAND	0.0104750	\$22,380
FLORIDA	0.0308357	\$65,881
VIRGIN ISLANDS	0.0027236	\$5,819
GEORGIA	0.0385293	\$82,318
HAWAII	0.0083323	\$17,802
W PAC ISLANDS	N/A	\$1,000
IDAHO	0.0077774	\$16,616
ILLINOIS	0.0256395	\$54,779
INDIANA	0.0236023	\$50,425
IOWA	0.0151422	\$32,351
KANSAS	0.0123032	\$26,286
KENTUCKY	0.0286790	\$61,273
LOUISIANA	0.0256223	\$54,742
MAINE	0.0113916	\$24,338
MASSACHUSETTS	0.0117468	\$25,097
CONNECTICUT	0.0065708	\$14,039
RHODE ISLAND	0.0017216	\$3,678
MICHIGAN	0.0337181	\$72,039
MINNESOTA	0.0184738	\$39,469
MISSISSIPPI	0.0259670	\$55,479
MISSOURI	0.0253687	\$54,200
MONTANA	0.0067138	\$14,344
NEBRASKA	0.0083216	\$17,779
NEVADA	0.0029735	\$6,353
NEW JERSEY	0.0091825	\$19,618
NEW MEXICO	0.0117200	\$25,040
NEW YORK	0.0369739	\$78,995
NORTH CAROLINA	0.0471742	\$100,787
NORTH DAKOTA	0.0040847	\$8,727
OHIO	0.0378081	\$80,777
OKLAHOMA	0.0175713	\$37,541
OREGON	0.0166212	\$35,511
PENNSYLVANIA	0.0438367	\$93,656
PUERTO RICO	0.0250931	\$53,611
SOUTH CAROLINA	0.0249510	\$53,308
SOUTH DAKOTA	0.0065435	\$13,980
TENNESSEE	0.0276859	\$59,151
TEXAS	0.0665018	\$142,080
UTAH	0.0039861	\$8,516
VERMONT	0.0057475	\$12,280
NEW HAMPSHIRE	0.0075234	\$16,074
VIRGINIA	0.0278404	\$59,481
WASHINGTON	0.0200905	\$42,923
WEST VIRGINIA	0.0172518	\$36,859
WISCONSIN	0.0222867	\$47,616
WYOMING	0.0035006	\$7,479
STATE TOTALS	1.0000000	\$2,137,500
GENERAL RESERVE		\$704,948
SPECIAL OUTREACH AREAS RESERVE		\$302,120
TOTAL		\$3,144,568

RURAL HOUSING SERVICE
FISCAL YEAR 2001
ALLOCATION IN THOUSANDS
SECTION 504 RURAL HOUSING LOANS

STATES	STATE BASIC FORMULA FACTOR	TOTAL FY 2001 ALLOCATION
ALABAMA	0.0290630	\$767
ALASKA	0.0080174	\$212
ARIZONA	0.0200434	\$529
ARKANSAS	0.0225489	\$595
CALIFORNIA	0.0531151	\$1,402
COLORADO	0.0085185	\$225
DELAWARE	N/A	\$100
MARYLAND	0.0095206	\$251
FLORIDA	0.0295641	\$780
VIRGIN ISLANDS	N/A	\$100
GEORGIA	0.0395858	\$1,045
HAWAII	0.0100217	\$264
W PAC ISLANDS	N/A	\$1,000
IDAHO	0.0075163	\$198
ILLINOIS	0.0225489	\$595
INDIANA	0.0220478	\$582
IOWA	0.0130282	\$344
KANSAS	0.0115250	\$304
KENTUCKY	0.0320695	\$846
LOUISIANA	0.0295641	\$780
MAINE	0.0100217	\$264
MASSACHUSETTS	0.0080174	\$212
CONNECTICUT	0.0040087	\$106
RHODE ISLAND	N/A	\$100
MICHIGAN	0.0290630	\$767
MINNESOTA	0.0175380	\$463
MISSISSIPPI	0.0300651	\$793
MISSOURI	0.0240521	\$635
MONTANA	0.0060130	\$159
NEBRASKA	0.0070152	\$185
NEVADA	N/A	\$100
NEW JERSEY	0.0070152	\$185
NEW MEXICO	0.0150326	\$397
NEW YORK	0.0285619	\$754
NORTH CAROLINA	0.0476031	\$1,256
NORTH DAKOTA	0.0040087	\$106
OHIO	0.0330717	\$873
OKLAHOMA	0.0175380	\$463
OREGON	0.0150326	\$397
PENNSYLVANIA	0.0370803	\$978
PUERTO RICO	0.0340738	\$899
SOUTH CAROLINA	0.0280608	\$740
SOUTH DAKOTA	0.0060130	\$159
TENNESSEE	0.0295641	\$780
TEXAS	0.0781694	\$2,566
UTAH	0.0040087	\$106
VERMONT	0.0045098	\$119
NEW HAMPSHIRE	0.0055119	\$145
VIRGINIA	0.0295641	\$780
WASHINGTON	0.0185402	\$489
WEST VIRGINIA	0.0180391	\$476
WISCONSIN	0.0195423	\$516
WYOMING	N/A	\$100
STATE TOTALS	1.0000000	\$27,987
GENERAL RESERVE		\$1,500
EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES EARMA		\$1,288
100 UNDERSERVED COUNTIES/COLONIAS		\$1,620
TOTAL		\$32,395

RURAL HOUSING SERVICE
FISCAL YEAR 2001 ALLOCATION IN THOUSANDS
SECTION 504 RURAL HOUSING GRANTS

STATES	STATE BASIC FORMULA FACTOR	TOTAL FY 2001 ALLOCATION
ALABAMA	0.0280565	\$722
ALASKA	0.0056781	\$146
ARIZONA	0.0170343	\$439
ARKANSAS	0.0223784	\$576
CALIFORNIA	0.0480968	\$1,238
COLORADO	0.0083501	\$215
DELAWARE	N/A	\$100
MARYLAND	0.0100202	\$258
FLORIDA	0.0340685	\$878
VIRGIN ISLANDS	N/A	\$100
GEORGIA	0.0367406	\$946
HAWAII	0.0076821	\$198
W PAC ISLANDS	N/A	\$500
IDAHO	0.0073481	\$189
ILLINOIS	0.0263864	\$680
INDIANA	0.0243824	\$628
IOWA	0.0163662	\$422
KANSAS	0.0133602	\$344
KENTUCKY	0.0297265	\$766
LOUISIANA	0.0260524	\$671
MAINE	0.0103542	\$267
MASSACHUSETTS	0.0096861	\$250
CONNECTICUT	0.0053441	\$138
RHODE ISLAND	N/A	\$100
MICHIGAN	0.0317305	\$817
MINNESOTA	0.0197063	\$508
MISSISSIPPI	0.0270545	\$697
MISSOURI	0.0257184	\$662
MONTANA	0.0060121	\$155
NEBRASKA	0.0086841	\$224
NEVADA	N/A	\$100
NEW JERSEY	0.0083501	\$215
NEW MEXICO	0.0123582	\$318
NEW YORK	0.0323985	\$835
NORTH CAROLINA	0.0470948	\$1,213
NORTH DAKOTA	0.0046761	\$120
OHIO	0.0360726	\$929
OKLAHOMA	0.0183703	\$473
OREGON	0.0156983	\$404
PENNSYLVANIA	0.0437547	\$1,126
PUERTO RICO	0.0263865	\$680
SOUTH CAROLINA	0.0260524	\$671
SOUTH DAKOTA	0.0063461	\$164
TENNESSEE	0.0293925	\$757
TEXAS	0.0714772	\$1,841
UTAH	N/A	\$100
VERMONT	0.0046761	\$120
NEW HAMPSHIRE	0.0060121	\$155
VIRGINIA	0.0283905	\$731
WASHINGTON	0.0183703	\$473
WEST VIRGINIA	0.0180363	\$465
WISCONSIN	0.0223783	\$576
WYOMING	N/A	\$100
STATE TOTALS	0.9823100	\$26,400
GENERAL RESERVE		\$1,500
EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES EARMAR		\$600
100 UNDERSERVED COUNTIES/COLONIAS		\$1,500
TOTAL		\$30,000

DEPARTMENT OF AGRICULTURE**Rural Housing Service****Notice of Funding Availability (NOFA) for section 502 Demonstration Program to Provide Single Family Housing (SFH) Loans and Grants in North Carolina to Elderly Families Who Lost Their Housing as a Result of a Major Disaster**

AGENCY: Rural Housing Service (RHS), USDA.

ACTION: Notice.

SUMMARY: This NOFA announces a Demonstration Program to provide section 502 loans and grants in North Carolina for very-low and low-income elderly families who lost their housing as a result of a major disaster.

DATES: Applications may be submitted at any time until funds are exhausted. Funding is limited, and loan and grants will be obligated on a first come, first served basis from the date of receipt of a full application.

ADDRESSES: Applicants wishing to apply for assistance must contact their local Rural Development office in North Carolina for an application package. Rural Development offices are listed in the government section of phone books under "United States Department of Agriculture (USDA), Rural Development." Applicants may also contact the State office serving North Carolina at the following address: USDA, Rural Development, 4405 Bland Road, Suite 260, Raleigh, NC 27609, phone (919) 873-2060, TDD (919) 873-2003 (these are not toll-free numbers).

FOR FURTHER INFORMATION CONTACT: For general information, applicants should contact their local or State Rural Development Office in North Carolina. Interested parties may also contact David J. Villano, Deputy Administrator, Single Family Housing, Rural Housing Service, United States Department of Agriculture, Stop 0780, 1400 Independence Avenue, SW, Washington, DC, 20250-0780, telephone (202) 720-5177 (voice) (this is not a toll free number) or (800) 877-8339 (TDD-Federal Information Relay Service).

SUPPLEMENTARY INFORMATION:**Programs Affected**

The Single Family Housing program is listed in the Catalog of Federal Domestic Assistance under Number 10.410, Very Low to Moderate Income Housing Loans.

Paperwork Reduction Act

The information collection requirements contained in this notice

have been approved by the Office of Management and Budget (OMB) under the provisions of 44 U.S.C. chapter 35 and have been assigned OMB control number 0575-0172 in accordance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

Discussion of Notice**I. Authority and Distribution Methodology****A. Authority**

Section 502 of the Housing Act of 1949 (42 U.S.C. 1471, *et seq.*) provides the Rural Housing Service (RHS) with the authority to make loans to very-low and low income persons and families who currently do not own adequate housing and cannot obtain other credit for modest housing in rural areas. The Demonstration Program described in this NOFA was authorized by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001, Public Law 106-387 (October 28, 2000). Under this Demonstration Program, loans and grants may be made under section 502 of the Housing Act of 1949 in North Carolina to elderly families whose housing was destroyed by a major disaster as so declared by the President pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The applicant must (1) not have had insurance that covered such as loss and (2) be unable to repay a section 502 loan (without a section 502 grant). Funds may only be used for the purchase of a new modular home and an adequate building site, or a new modular home if the applicant already owns an adequate building site.

B. Availability of Section 502 Funds for This Demonstration Program

A combination loan and grant will be available for eligible persons under this NOFA; however, funding is limited. A maximum of \$5,000,000 in section 502 grant funds is available. Section 502 loan funds, with a budget authority level of \$400,000, were made available under the aforementioned appropriations act. Funds under this NOFA are not subject to the provisions of 7 CFR 1940.565 and will be held in a National reserve.

I. Determining the Amount of a Loan and Grant

Loan and grant combinations are available. Eligible applicants are expected to pay 20% of their adjusted income (as described in 7 CFR part 3550) toward a subsidized mortgage payment (principal and interest), real estate taxes, and insurance (PITI). After

subtracting the monthly escrow for taxes and insurance, RHS will determine the maximum subsidized section 502 loan that the applicant can repay. The calculated loan amount will be deducted from the actual cost of the housing or market value, whichever is less. The remaining amount will be covered by a subsidized section 502 grant.

For example, an applicant desires to purchase a new modular home for \$72,000. Her adjusted income is \$700 per month. Annual real estates taxes (based upon an "as completed" valuation) are estimated to be \$400, and homeowners insurance is estimated to be \$200. Twenty percent of her adjusted income is \$140 per month (\$700 times 20%). From that amount, \$50 per month is deducted for taxes and insurance (\$400 taxes plus \$200 insurance divided by 12 equals \$50 per month). In summary, the applicant can pay \$90 per month towards a subsidized mortgage payment (\$140 minus \$50 for taxes and insurance equals \$90). Based upon a \$90 per month payment, the applicant would be eligible to receive a \$30,000 section 502 subsidized loan. Since the cost of the house is \$72,000, RHS will provide a \$30,000 subsidized loan and \$42,000 grant (\$72,000 cost minus \$30,000 loan equals \$42,000).

III. Impact of Other Affordable Housing Products

If the applicant is to receive any other affordable housing product or assistance (a forgivable loan or grant from another source, additional FEMA assistance, etc.) in conjunction with funds from RHS, the RHS loan or grant will be reduced correspondingly. An outside grant will reduce the RHS grant; and an outside loan (requiring payments) will reduce the RHS loan on a dollar for dollar basis. For example, if the applicant is to receive a \$5,000 grant from another source, it will reduce the amount of the RHS grant by \$5,000. Similarly, a forgivable loan of \$7,500 (one requiring no payments until the property is sold or title transferred) will also reduce the grant amount by \$7,500. An affordable housing loan (which requires monthly payments) from another source of \$2,000, will reduce the RHS loan amount by \$2,000. RHS funding is extremely limited, and the Agency must ensure that funds are used prudently and to the maximum extent possible so that as many elderly families can be assisted as possible.

IV. Grants

Under the terms of the grant, the grant recipient is required to personally occupy the housing acquired with grant

funds for 10 years. If the grantee fails to personally occupy the housing for this term, then some or all of the grant must be repaid to the Agency, as discussed below. There is no penalty if the grantee stops personally occupying the property after the tenth anniversary of the grant. Repayment of the penalty for failing to personally occupy the housing will be secured by the standard Agency form deed of trust for North Carolina and the applicant will be required to sign an Agency grant agreement.

V. Grant Default and Penalties for Default

The following events shall be considered a default under the grant:

- A. The property is sold or title transferred;
- B. The grantee fails to honor any of the terms of the grant agreement, or any of the terms of the Promissory Note, Mortgage or Deed of Trust securing an Agency loan which enabled the grantee to purchase the security property;
- C. The grantee falsely certifies, or fails to certify that the grantee occupies or will occupy the security property;
- D. The property is no longer personally occupied by the grantee, including by death of the grantee; or
- E. The grantee, or someone acting on the grantee's behalf, provided false or inaccurate information to obtain the grant.

For the first full five years from closing, should a default occur, the penalty for default will be 100% of the grant amount. On the sixth anniversary, the penalty for default will be reduced by 20%, and the penalty will be reduced by an additional 20% on each succeeding anniversary date so that there will be no penalty for default after the tenth anniversary of the grant. In the case of death of the grantee at any time during the 10-year period, the penalty under the grant shall apply to anyone holding a remainder interest in the property, or by the heirs of the estate and the penalty amount will be promptly paid to the Agency. The Agency will charge interest on such penalty amount at the United States Treasury's current value of funds rate in effect at the time of default. The following example represents the potential penalties resulting from a default on a section 502 grant that was closed June 15, 2001:

Date of Default: Penalty for default

June 15, 2001: 100%
 June 15, 2002: 100%
 June 15, 2003: 100%
 June 15, 2004: 100%
 June 15, 2005: 100%
 June 15, 2006: 100%
 June 15, 2007: 80%

June 15, 2008: 60%
 June 15, 2009: 40%
 June 15, 2010: 20%
 June 15, 2011: 0

Under this example, if the property is sold or title transferred from June 15, 2001 up to and including June 15, 2006, the penalty would be 100% of the grant amount. For a default that would occur on July 1, 2006, the penalty would be 100% of the grant amount. For a default that would occur on June 16, 2007, the penalty would be 80% of the grant amount.

Should a default occur (with the exception of false or inaccurate information), the Agency may amortize repayment over a period of time with interest when it is in the best financial interest of the Government and is consistent with the objectives of the Demonstration Program.

VI. Submitting Loan and Grant Requests

All applications must be filed with the appropriate Rural Development office and must meet the applicable requirements of 7 CFR part 3550 and this NOFA. Incomplete applications will be returned to the applicant. Applicants must provide documentation to support their loan and grant in accordance with 7 CFR part 3550 and this NOFA.

VII. Funding and Approval of Applications

As mentioned, funding for this program is limited. Therefore, it is imperative that customers submit applications and related supporting documents in a timely manner. Submission of an application neither reserves funds nor ensures funding. Loan and grant requests will be obligated in the order in which a full application is received by Rural Development until funds are exhausted. A full application includes a valid sales contract for the purchase of a modular home, an adequate building site (or evidence of ownership, if the site is already owned), and a loan and grant request which can be approved in accordance with 7 CFR part 3550 and this NOFA.

VIII. Applicability of Current Regulations

All loan and grant requests for this Demonstration Program are subject to the provisions of this NOFA. Grants are also subject to 7 CFR part 3015. In addition, loan and grant requests are subject to the requirements of 7 CFR part 3550, with the following modifications:

A. Loan Purposes

Section 3550.52 does not apply except for paragraphs (d) and (e). Funds may only be used to purchase a new modular home and an adequate building site (if the applicant does not already own an adequate building site), and related eligible costs outlined in paragraph (d) such as site preparation, special features to accommodate the needs of persons with disabilities, title and closing costs, etc.

B. Eligibility Requirements

Section 3550.53 applies, with the exception of paragraph (d).

In addition, the applicant must:

- (1) be an elderly family as defined in section 3550.10; and
- (2) have owned or rented housing (which was their primary residence) that was destroyed by a major disaster declared by the President pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act; and
- (3) have sufficient income to pay living expenses, current debts, real estate taxes (based upon an as-completed valuation), homeowners insurance, utilities, and required maintenance on the house; and
- (a) did not have homeowner's insurance or other insurance to cover such loss; or
- (b) cannot repay a section 502 loan without the benefit of a section 502 grant as described in this NOFA.

C. Applications

Section 3550.55 applies, with the exception of paragraph (c).

D. Site Requirements

Section 3550.56 applies, except for paragraph (a). In addition, a loan or grant may only be made in a rural area designated by RHS.

E. Dwelling Requirements

Section 3550.57 applies, with the exception of paragraph (c). Only new modular homes are eligible under this Demonstration Program. In North Carolina, a modular home is defined as a manufactured building designed to be used as a one family unit which has been constructed and labeled indicating compliance with the North Carolina State Uniform Residential Building Code, Volume VII (available in most public libraries or through North Carolina Building Inspectors). The unit must have a North Carolina validation stamp. In addition, unless the applicant requests a waiver for individual needs, the modular unit must have the following design features at a minimum:

- (1) grab bars, or blocking for them, in the tub and shower;

(2) toilet centered a minimum of 18 inches from side wall with grab bars or blocking;

(3) minimum 30 × 48 inch area of approach in front of all fixtures;

(4) minimum 29 inch clearance below lavatory counter with insulated piping (a removable cabinet front may be used);

(5) minimum 32 inch clearance for all door openings;

(6) minimum 18 inch space at latch side of all doors;

(7) "view" windows at a maximum 36 inch sill height;

(8) electrical receptacles at 15 to 18 inches of height;

(9) flush thresholds (maximum of 1/2 inch rise);

(10) minimum 42 inch accessible route throughout;

(11) lights switches and thermostat at 48 inch maximum height;

(12) high contrast, glare free floor surfaces and trim;

(13) minimum of one entry ramped with accessible route to parking and mailbox, or property designed to accommodate such needs at a later time;

(14) kitchen cabinets with removable panel under sink, pipes insulated, and removable fronts for work space;

(15) lever handles for sink, lavatory, and door knobs; and

(16) if the house does not have an attached garage, a minimum 8 × 8 foot accessible, attached storage space.

F. Ownership Requirements

Section 3550.58 applies with the exception of paragraphs (b), (c), (d), and (e). At the time of closing, the applicant must have fee-simple ownership.

G. Escrow Account

Section 3550.60 applies. Escrow accounts are required regardless of the loan and grant amounts.

H. Insurance

Section 3550.61 applies; however, the loss payable clause must cover the combined amount of all loans needed to obtain the housing plus the section 502 grant. Flood insurance, where applicable, is required regardless of the loan or grant amount.

I. Appraisals

Section 3550.62 applies. Appraisals are required regardless of the loan and grant amounts. The combined section 502 loan and grant, plus any prior liens, may not exceed the appraised value.

J. Maximum Loan Amount

Section 3550.63 applies, with the exception of paragraph (b)(3). The Housing and Urban Development (HUD) 203(b) limits in effect as of September 30, 1998, apply.

K. Payment Subsidy

Section 3550.68 applies, with the exception of paragraph (c). Eligible applicants will receive interest credit.

L. Deferred Mortgage Payments

Section 3550.69 is not applicable.

M. Recapture

Section 3550.162 applies; however, the section 502 grant shall be considered original equity. If the loan is repaid within its 10th year anniversary, or a penalty is imposed for a default on the grant, the balance due on the 502 grant shall be considered to be part of the outstanding balance on the 502 loan for recapture purposes.

N. Other

Sections 3550.71, 3550.73, 3550.74, and 3550.101 through 3550.150 are not applicable.

VI. Exception Authority

The Administrator, or Deputy Administrator, Single Family Housing, reserves the right to make an exception to any requirement or provision of this NOFA or address any omission that is consistent with the applicable statute upon the request of the State Director for North Carolina if he or she determines that application of the requirement or provision, or failure to take action in the case of an omission, would adversely affect the Government's financial interests.

Dated: December 15, 2000.

James C. Kearney,

Administrator, Rural Housing Service.

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BILLING CODE 3410-XV-U

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Funding Availability (NOFA) for the Section 515 Rural Rental Housing Program for Fiscal Year 2001

AGENCY: Rural Housing Service (RHS), USDA.

ACTION: Notice.

SUMMARY: This NOFA announces the timeframe to submit applications for section 515 Rural Rental Housing (RRH) loan funds and section 521 Rental Assistance (RA) for new construction, including applications for the nonprofit set-aside for eligible nonprofit entities, the set-aside for the most Underserved Counties and Colonias (Cranston-Gonzalez National Affordable Housing Act), and the set-aside for Empowerment Zones and Enterprise

Communities (EZ/ECs) and Rural Economic Area Partnership (REAP) communities. This document describes the methodology that will be used to distribute funds, the application process, submission requirements, and areas of special emphasis or consideration.

DATES: The closing deadline for receipt of all applications, including those for the set-asides, in response to this NOFA is 5 p.m., local time for each Rural Development State office on March 26, 2001. The application closing deadline is firm as to date and hour. RHS will not consider any application that is received after the closing deadline. Applicants intending to mail applications must provide sufficient time to permit delivery on or before the closing deadline date and time. Acceptance by a post office or private mailer does not constitute delivery. Facsimile (FAX) and postage due applications will not be accepted.

ADDRESSES: Applicants wishing to apply for assistance must contact the Rural Development State office serving the place in which they desire to submit an application for rural rental housing to receive further information and copies of the application package. Rural Development will date and time stamp incoming applications to evidence timely receipt, and, upon request, will provide the applicant with a written acknowledgment of receipt. A listing of Rural Development State offices, their addresses, telephone numbers, and person to contact follows:

Note: Telephone numbers listed are not toll-free.

Alabama State Office, Suite 601,
Sterling Centre, 4121 Carmichael
Road, Montgomery, AL 36106-3683,
(334) 279-3455, TDD (334) 279-3495,
James B. Harris
Alaska State Office, 800 West Evergreen,
Suite 201, Palmer, AK 99645, (907)
761-7734, TDD (907) 761-8905,
Miguel Correa
Arizona State Office, Phoenix Corporate
Center, 3003 N. Central Ave., Suite
900, Phoenix, AZ 85012-2906, (602)
280-8765, TDD (602) 280-8706,
Johnna Vargas
Arkansas State Office, 700 W. Capitol
Ave., Rm. 3416, Little Rock, AR
72201-3225, (501) 301-3250, TDD
(501) 301-3279, Cathy Jones
California State Office, 430 G Street,
Agency 4169, Davis, CA 95616-4169,
(530) 792-5819 or, (530) 792-5830,
TDD (530) 792-5848, Millie
Manzanedo or, Jeff Deiss
Colorado State Office, 655 Parfet Street,
Room E100, Lakewood, CO 80215,

- (303) 236-2801 (ext. 122), TDD (303) 236-1590, "Sam" Mitchell
- Connecticut—Served by Massachusetts State Office
- Delaware and Maryland State Office, 5201 South Dupont Highway, PO Box 400, Camden, DE 19934-9998, (302) 697-4353, TDD (302) 697-4303, Pat Baker
- Florida & Virgin Islands State Office, 4440 N.W. 25th Place, Gainesville, FL 32614-7010, (352) 338-3465, TDD (352) 338-3499, Joseph P. Fritz
- Georgia State Office, Stephens Federal Building, 355 E. Hancock Avenue, Athens, GA 30601-2768, (706) 546-2164, TDD (706) 546-2034, Wayne Rogers
- Guam—Served by Hawaii State Office
- Hawaii, Guam, & Western Pacific Territories State Office, Room 311, Federal Building, 154 Waiianuenue Avenue, Hilo, HI 96720, (808) 933-8316, TDD (808) 933-8321, Abraham Kubo
- Idaho State Office, Suite A1, 9173 West Barnes Dr., Boise, ID 83709, (208) 378-5630, TDD (208) 378-5644, LaDonn McElligott
- Illinois State Office, Illini Plaza, Suite 103, 1817 South Neil Street, Champaign, IL 61820, (217) 398-5412 (ext. 256), TDD (217) 398-5396, Barry L. Ramsey
- Indiana State Office, 5975 Lakeside Boulevard, Indianapolis, IN 46278, (317) 290-3100 (ext. 423), TDD (317) 290-3343, John Young
- Iowa State Office, 873 Federal Building, 210 Walnut Street, Des Moines, IA 50309, (515) 284-4493, TDD (515) 284-4858, Bruce McGuire
- Kansas State Office, 1200 SW Executive Drive, PO Box 4653, Topeka, KS 66604, (785) 271-2718, TDD (785) 271-2767, Gary Schumaker
- Kentucky State Office, 771 Corporate Drive, Suite 200, Lexington, KY 40503, (859) 224-7325, TDD (859) 224-7422, Paul Higgins
- Louisiana State Office, 3727 Government Street, Alexandria, LA 71302, (318) 473-7962, TDD (318) 473-7655, Yvonne R. Emerson
- Maine State Office, 967 Illinois Ave., Suite 4, PO Box 405, Bangor, ME 04402-0405, (207) 990-9110, TDD (207) 942-7331, Dale D. Holmes
- Maryland—Served by Delaware State Office
- Massachusetts, Connecticut, & Rhode Island State Office, 451 West Street, Amherst, MA 01002, (413) 253-4333, TDD (413) 253-7068, Donald Colburn
- Michigan State Office, 3001 Coolidge Road, Suite 200, East Lansing, MI 48823, (517) 324-5192, TDD (517) 337-6795, Philip Wolak
- Minnesota State Office, 410 AgriBank Building, 375 Jackson Street, St. Paul, MN 55101-1853, (651) 602-7820, TDD (651) 602-3799, Jackie Goodnough
- Mississippi State Office, Federal Building, Suite 831, 100 W. Capitol Street, Jackson, MS 39269, (601) 965-4325, TDD (601) 965-5850, Darnella Smith-Murray
- Missouri State Office, 601 Business Loop 70 West, Parkade Center, Suite 235, Columbia, MO 65203, (573) 876-0990, TDD (573) 876-9301, Gary Frisch
- Montana State Office, Unit 1, Suite B, 900 Technology Blvd., Bozeman, MT 59715, (406) 585-2515, TDD (406) 585-2562, Craig Hildreth
- Nebraska State Office, Federal Building, room 152, 100 Centennial Mall N, Lincoln, NE 68508, (402) 437-5567, TDD (402) 437-5093, Byron Fischer
- Nevada State Office, 1390 South Curry Street, Carson City, NV 89703-9910, (775) 887-1222 (ext. 13), TDD (775) 885-0633, William L. Brewer
- New Hampshire State Office, Concord Center, Suite 218, Box 317, 10 Ferry Street, Concord, NH 03301-5004, (603) 223-6046, TDD (603) 229-0536, Jim Fowler
- New Jersey State Office, Tarnsfield Plaza, Suite 22, 790 Woodland Road, Mt. Holly, NJ 08060, (609) 265-3631, TDD (609) 265-3687, George Hyatt, Jr.
- New Mexico State Office, 6200 Jefferson St., NE, Room 255, Albuquerque, NM 87109, (505) 761-4944, TDD (505) 761-4938, Carmen N. Lopez
- New York State Office, The Galleries of Syracuse, 441 S. Salina Street, Suite 357, Syracuse, NY 13202, (315) 477-6419, TDD (315) 477-6447, George N. Von Pless
- North Carolina State Office, 4405 Bland Road, Suite 260, Raleigh, NC 27609, (919) 873-2062, TDD (919) 873-2003, Eileen Nowlin
- North Dakota State Office, Federal Building, Room 208, 220 East Rosser, PO Box 1737, Bismarck, ND 58502, (701) 530-2049, TDD (701) 530-2113, Kathy Lake
- Ohio State Office, Federal Building, Room 507, 200 North High Street, Columbus, OH 43215-2477, (614) 469-5165, TDD (614) 469-5757, Gerald Arnott
- Oklahoma State Office, 100 USDA, Suite 108, Stillwater, OK 74074-2654, (405) 742-1070, TDD (405) 742-1007, Phil Reimers
- Oregon State Office, 101 SW Main, Suite 1410, Portland, OR 97204-3222, (503) 414-3325, TDD (503) 414-3387, Joyce Hein
- Pennsylvania State Office, One Credit Union Place, Suite 330, Harrisburg, PA 17110-2996, (717) 237-2281, TDD (717) 237-2261, Gary Rothrock
- Puerto Rico State Office, New San Juan Office Bldg., Room 501, 159 Carlos E. Chardon Street, Hato Rey, PR 00918-5481, (787) 766-5095 (ext. 254), TDD 1-800-274-1572, Lourdes Colon
- Rhode Island—Served by Massachusetts State Office
- South Carolina State Office, Strom Thurmond Federal Building, 1835 Assembly Street, Room 1007, Columbia, SC 29201, (803) 253-3432, TDD (803) 765-5697, Larry D. Floyd
- South Dakota State Office, Federal Building, Room 210, 200 Fourth Street, SW, Huron, SD 57350, (605) 352-1132, TDD (605) 352-1147, Dwight Wullweber
- Tennessee State Office, Suite 300, 3322 West End Avenue, Nashville, TN 37203-1084, (615) 783-1300, TDD (615) 783-1397, G. Benson Lasater
- Texas State Office, Federal Building, Suite 102, 101 South Main, Temple, TX 76501, (254) 742-9755, TDD (254) 742-9712, Eugene G. Pavlat
- Utah State Office, Wallace F. Bennett Federal Building, 125 S. State Street, Room 4311, Salt Lake City, UT 84147-0350, (801) 524-4324, TDD (801) 524-3309, Robert L. Milianta
- Vermont State Office, City Center, 3rd Floor, 89 Main Street, Montpelier, VT 05602, (802) 828-6028, TDD (802) 223-6365, Sandra Mercier
- Virgin Islands—Served by Florida State Office
- Virginia State Office, Culpeper Building, Suite 238, 1606 Santa Rosa Road, Richmond, VA 23229, (804) 287-1582, TDD (804) 287-1753, Carlton Jarratt
- Washington State Office, Suite B, 1835 Black Lake Boulevard, SW, Olympia, WA 98512-5715, (360) 704-7707, TDD (360) 704-7760, Deborah Davis
- Western Pacific Territories—Served by Hawaii State Office
- West Virginia State Office, Federal Building, 75 High Street, Room 320, Morgantown, WV 26505-7500, (304) 291-4793, TDD (304) 284-5941, Sue Snodgrass
- Wisconsin State Office, 4949 Kirschling Court, Stevens Point, WI 54481, (715) 345-7620 (ext. 7145), TDD (715) 345-7614, Sherry Engel
- Wyoming State Office, 100 East B, Federal Building, Room 1005, PO Box 820, Casper, WY 82602, (307) 261-6315, TDD (307) 261-6333, Charles Huff

FOR FURTHER INFORMATION CONTACT:

For general information, applicants may contact Linda Armour, Senior Loan Officer, Multi-Family Housing Processing Division, Rural Housing Service, United States Department of Agriculture, Stop 0781, 1400 Independence Avenue, SW, Washington, DC, 20250, telephone (202) 720-1753 (voice) (this is not a toll free number) or (800) 877-8339 (TDD-Federal Information Relay Service).

SUPPLEMENTARY INFORMATION:**Programs Affected**

The Rural Rental Housing program is listed in the Catalog of Federal Domestic Assistance under Number 10.415, Rural Rental Housing Loans. Rental Assistance is listed in the Catalog under Number 10.427, Rural Rental Assistance Payments.

Explanation of 90-Day NOFA Application Deadline

The Agency is using a 90-day application period to allow adequate time for our customers to complete their applications, including finding a suitable site and preparing the market study. In many cases, the process of locating a site suitable for multi-family housing is time-consuming. Factors such as environmental issues, zoning issues, and community support must be addressed. In addition, the market study required by RHS is complex. It is difficult to complete a high quality market study within a limited timeframe. Because the quality of the site and market are two of the most important ingredients for the long-term success of a multi-family development, a 90-day application period is provided.

Discussion of Notice**I. Authority and Distribution Methodology****A. Authority**

Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) provides RHS with the authority to make loans to any individual, corporation, association, trust, Indian tribe, public or private nonprofit organization, consumer cooperative, or partnership to provide rental or cooperative housing and related facilities in rural areas for very-low, low, or moderate income persons or families, including elderly persons and persons with disabilities. Rental assistance (RA) is a tenant subsidy for very-low and low-income families residing in rural rental housing facilities with RHS financing and may be requested with applications for such facilities.

B. Distribution Methodology

The total amount available for FY 2001 for section 515 is \$114,321,087, of which \$49,000,000 is available for new construction as follows:

Section 515 new construction funds:

\$16,980,753

Set-aside for nonprofits: \$10,288,998

Set-aside for Underserved Counties and Colonias: \$5,716,054

Set-aside for EZ, EC, and REAP zones: \$14,514,195

State Rental Assistance (RA) designated reserve: \$1,500,000

C. Section 515 New Construction Funds

For fiscal year 2001, the Administrator has determined that it would not be practical to allocate funds to States because of funding limitations; therefore, section 515 new construction funds will be distributed to States based on a National competition, as follows:

1. States will accept, review, score, and rank requests in accordance with 7 CFR part 1944, subpart E. The scoring factors are:

(a) The presence and extent of leveraged assistance for the units that will serve RHS income-eligible tenants at basic rents comparable to those if RHS provided full financing, computed as a percentage of the RHS total development cost (TDC). RHS TDC excludes non-RHS eligible costs such as a developer's fee. The required applicant contribution is not considered leveraged assistance. Leveraged assistance includes loans and grants from other sources, contributions from the applicant above the required contribution indicated by the Sources and Uses Comprehensive Evaluation (available from the Rural Development State Office) and tax abatements or other savings in operating costs provided that, at the end of the abatement period when the benefit is no longer available, the basic rents are comparable to or lower than the basic rents if RHS provided full financing. Loan proposals that include secondary funds from other sources that have been requested but have not yet been committed will be processed as follows: The proposal will be scored based on the requested funds, provided (1) the applicant includes evidence of a filed application for the funds; and (2) the funding date of the requested funds will permit processing of the loan request in the current funding cycle, or, if the applicant does not receive the requested funds, will permit processing of the next highest ranked proposal in the current year. Points will be awarded in accordance with the following table. (0 to 20 points)

Percentage of leveraging	Points
75 or more	20
70-74	19
65-69	18
60-64	17
55-59	16
50-54	15
45-49	14
40-44	13
35-39	12
30-34	11
25-29	10
20-24	9
15-19	8
10-14	7
5-9	6
0-4	0

(b) The units to be developed are in a colonia, tribal land, EZ, EC, or REAP community, or in a place identified in the State Consolidated Plan or State Needs Assessment as a high need community for multifamily housing. (20 points)

(c) In states where RHS has an ongoing formal working relationship, agreement, or Memorandum of Understanding (MOU) with the State to provide State resources (State funds, State RA, HOME funds, CDBG funds, or Low-Income Housing Tax Credits) for RHS proposals; or where the State provides preference or points to RHS proposals in awarding such State resources, 20 points will be provided to loan requests that include such State resources in an amount equal to at least 5 percent of the total development cost. (National office initiative)

(d) The loan request includes donated land meeting the provisions of 7 CFR 1944.215(r)(4). (5 points)

2. The National office will rank all requests nationwide and distribute funds to States in rank order, within funding and RA limits. If insufficient funds or RA remain for the next ranked proposal, the Agency will select the next ranked proposal that falls within the remaining levels.

D. Applications That Do Not Require New Construction Rental Assistance (RA)

For fiscal year 2001, limited new construction RA is available. Therefore, the Agency is inviting applications to develop units in markets that do not require RA. The market study for non-RA proposals must clearly demonstrate a need and demand for the units by prospective tenants at income levels that can support the proposed rents without tenant subsidies. The proposed units must offer amenities that are typical for the market area at rents that are comparable to conventional rents in the market for similar units.

E. Set-Asides

Loan requests will be accepted for the following set-asides:

1. Nonprofit Set-Aside

An amount of \$10,288,998 has been set aside for nonprofit applicants. All loan proposals must be in designated places in accordance with 7 CFR part 1944, subpart E. A State or jurisdiction may receive one proposal from this set-aside, which cannot exceed \$1 million. A State could get additional funds from this set-aside if any funds remain after funding one proposal from each participating State. If there are insufficient funds to fund one loan request from each participating State, selection will be made by point score. If there are any funds remaining, they will revert to the National office reserve. Funds from this set-aside will be available only to nonprofit entities, which may include a partnership that has as its general partner a nonprofit entity or the nonprofit entity's for-profit subsidiary which will be receiving low-income housing tax credits authorized under section 42 of the Internal Revenue Code of 1986. To be eligible for this set-aside, the nonprofit entity must be an organization that:

(a) Will own an interest in the project to be financed and will materially participate in the development and the operations of the project;

(b) Is a private organization that has nonprofit, tax exempt status under section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code of 1986;

(c) Has among its purposes the planning, development, or management of low-income housing or community development projects; and

(d) Is not affiliated with or controlled by a for-profit organization.

2. Underserved Counties and Colonias Set-Aside

An amount of \$5,716,054 has been set aside for loan requests to develop units in the 100 most needy underserved counties or colonias as defined in section 509(f) of the Housing Act of 1949.

3. EZ, EC, and REAP Set-Aside

An amount of \$14,514,195 has been set aside to develop units in EZ, EC, or REAP communities. Loan requests that are eligible for this set-aside may also be eligible for regular section 515 funds as a high-need community. The state must indicate on the list submitted to the National office if the request is eligible for the EZ, EC, and REAP set-aside and regular section 515 funds. If requests for this set-aside exceed available funds, selection will be made by point score.

II. Funding Limits

A. Individual loan requests may not exceed \$1 million. This applies to regular section 515 funds and set-aside funds. The Administrator may make an exception to this limit in cases where a State's average total development costs exceed the National average by 50 percent or more.

B. No State may receive more than \$2.5 million from regular section 515 funds. Reserve funds, including set-aside funds, are not included in this cap.

III. Rental Assistance (RA)

New construction RA will be held in the National office for use with section 515 Rural Rental Housing loans. RA may be requested by applicants, except for non-RA requests in accordance with section I.D. above.

IV. Application Process

All applications for section 515 new construction funds must be filed with the appropriate Rural Development State office and must meet the requirements of 7 CFR part 1944, subpart E and section V of this NOFA. Incomplete applications will not be reviewed and will be returned to the applicant. No application will be accepted after 5:00 p.m., local time, on the application deadline previously mentioned unless that date and time is extended by a Notice published in the **Federal Register**.

V. Application Submission Requirements

A. Each application shall include all of the information, materials, forms and exhibits required by 7 CFR part 1944, subpart E as well as comply with the provisions of this NOFA. Applicants are encouraged, but not required, to include a checklist and to have their applications indexed and tabbed to facilitate the review process. The Rural Development State office will base its determination of completeness of the application and the eligibility of each applicant on the information provided in the application.

B. Applicants are advised to contact the Rural Development State office serving the place in which they desire to submit an application for the following:

1. Application information;
2. Any restrictions on funding availability (applications that exceed the National limit of \$1 million will be returned to the applicant); and
3. List of designated places for which applications for new section 515 facilities may be submitted.

VI. Areas of Special Emphasis or Consideration

A. The selection criteria contained in 7 CFR part 1944, subpart E includes two optional criteria, one set by the National office and one by the State office. This fiscal year, the National office initiative will be used in the selection criteria as follows: In states where RHS has an on-going formal working relationship, agreement, or Memorandum of Understanding (MOU) with the State to provide State resources (State funds, State RA, HOME funds, CDBG funds, or LIHTC) for RHS proposals; or where the State provides preference or points to RHS proposals in awarding these State Resources, 20 points will be provided to loan requests that include such State resources in an amount equal to at least 5 percent of the total development cost. No State selection criteria will be used this fiscal year.

B. \$10,288,998 is available nationwide in a set-aside for eligible nonprofit organizations as defined in 42 U.S.C. 1485(w).

C. \$5,716,054 is available nationwide in a set-aside for the 100 most Underserved Counties and Colonias.

D. \$14,514,195 is available nationwide in a set-aside for EZ, EC, and REAP communities.

E. \$1,500,000 is available nationwide in a reserve for States with viable State Rental Assistance (RA) programs. In order to participate, States are to submit specific written information about the State RA program, i.e., a memorandum of understanding, documentation from the provider, etc., to the National Office.

Dated: December 15, 2000.

James C. Kearney,

Administrator, Rural Housing Service.

[FR Doc. 00-32621 Filed 12-22-00; 8:45 am]

BILLING CODE 3410-XV-U

DEPARTMENT OF AGRICULTURE**Rural Housing Service****Notice of Funds Availability (NOFA) for Section 514 Farm Labor Housing Loans and Section 516 Farm Labor Housing Grants for Off-Farm Housing for Fiscal Year 2001**

AGENCY: Rural Housing Service (RHS), USDA.

ACTION: Notice.

SUMMARY: This NOFA announces the timeframe to submit applications for section 514 Farm Labor Housing loan funds and section 516 Farm Labor Housing grant funds for new construction and acquisition with rehabilitation of off-farm units for

farmworker households. Applications may also include requests for section 521 rental assistance (RA) and operating assistance for migrant units. This document describes the method used to distribute funds, the application process, and submission requirements.

DATES: The closing deadline for receipt of all applications in response to this NOFA is 5:00 p.m., local time for each Rural Development State office on April 25, 2001. The application closing deadline is firm as to date and hour. RHS will not consider any application that is received after the closing deadline. Applicants intending to mail applications must provide sufficient time to permit delivery on or before the closing deadline date and time. Acceptance by a post office or private mailer does not constitute delivery. Facsimile (FAX) and postage due applications will not be accepted.

ADDRESSES: Applicants wishing to apply for assistance must contact the Rural Development State office serving the place in which they desire to locate off-farm labor housing to receive further information and copies of the application package. Rural Development will date and time stamp incoming applications to evidence timely receipt, and, upon request, will provide the applicant with a written acknowledgment of receipt. A listing of Rural Development State offices, their addresses, telephone numbers, and person to contact follows:

Note: Telephone numbers listed are not toll-free.

Alabama State Office, Suite 601, Sterling Center, 4121 Carmichael Road, Montgomery, AL 36106-3683, (334) 279-3455, TDD (334) 279-3495, James B. Harris

Alaska State Office, 800 West Evergreen, Suite 201, Palmer, AK 99645, (907) 761-7734, TDD (1-800-770-8255), (1-800-770-8905), Miguel Correa

Arizona State Office, Phoenix Corporate Center, 3003 N. Central Ave., Suite 900, Phoenix, AZ 85012-2906, (602) 280-8706, TDD (602) 280-8770, Johnna Vargas

Arkansas State Office, 700 W. Capitol Ave., Rm. 3416, Little Rock, AR 72201-3225, (501) 301-3250, TDD (501) 301-3279, Clinton King

California State Office, 430 G Street, Agency 4169, Davis, CA 95616-4169, (530) 792-5819, TDD (530) 792-5848, Millie Manzanedo

Colorado State Office, 655 Parfet Street, Room E100, Lakewood, CO 80215, (303) 236-2801 (ext. 124), TDD (303) 236-1590, Mary Summerfield

Connecticut—Served by Massachusetts State Office

Delaware & Maryland State Office, 5201 South Dupont Highway, PO Box 400, Camden, DE 19934-9998, (302) 697-4353, TDD (302) 697-4303, Pat Baker

Florida & Virgin Islands State Office, 4440 N.W. 25th Place, PO Box 147010, Gainesville, FL 32614-7010, (352) 338-3465, TDD (352) 338-3499, Joseph P. Fritz

Georgia State Office, Stephens Federal Building, 355 E. Hancock Avenue, Athens, GA 30601-2768, (706) 546-2164, TDD (706) 546-2034, Wayne Rogers

Guam—Served by Hawaii State Office

Hawaii, Guam, & Western Pacific Territories State Office, Room 311, Federal Building, 154 Waiannuene Avenue, Hilo, HI 96720, (808) 933-8316, TDD (808) 933-8321, Abraham Kubo

Idaho State Office, Suite A1, 9173 West Barnes Dr., Boise, ID 83709, (208) 378-5628, TDD (208) 378-5644, LaDonn McElligott

Illinois State Office, Illini Plaza, Suite 103, 1817 South Neil Street, Champaign, IL 61820, (217) 398-5412 (ext. 256), TDD (217) 398-5396, Barry L. Ramsey

Indiana State Office, 5975 Lakeside Boulevard, Indianapolis, IN 46278, (317) 290-3100 (ext. 423), TDD (317) 290-3343, John Young

Iowa State Office, 873 Federal Building, 210 Walnut Street, Des Moines, IA 50309, (515) 284-4493, TDD (515) 284-4858, Julie Brown

Kansas State Office, 1200 SW Executive Drive, PO Box 4653, Topeka, KS 661204, (785) 271-2721, TDD (785) 271-2767, Virginia Hammersmith

Kentucky State Office, 771 Corporate Drive, Suite 200, Lexington, KY 40503, (606) 224-7300, TDD (606) 224-7422, Paul Higgins

Louisiana State Office, 3727 Government Street, Alexandria, LA 71302, (318) 473-7962, TDD (318) 473-7655, Yvonne R. Emerson

Maine State Office, 444 Stillwater Ave., Suite 2, PO Box 405, Bangor, ME 04402-0405, (207) 990-9110, TDD (207) 942-7331, Dale D. Holmes

Maryland—Served by Delaware State Office

Massachusetts, Connecticut, & Rhode Island State Office, 451 West Street, Amherst, MA 01002, (413) 253-4333, TDD (413) 253-7068, Donald Colburn

Michigan State Office, 3001 Coolidge Road, Suite 200, East Lansing, MI 48823, (517) 324-5192, TDD (517) 337-6795, Philip Wolak

Minnesota State Office, 410 AgriBank Building, 375 Jackson Street, St. Paul, MN 55101-1853, (651) 602-7804, TDD (651) 602-3799, Joyce Vondal

Mississippi State Office, Federal Building, Suite 831, 100 W. Capitol Street, Jackson, MS 39269, (601) 965-4325, TDD (601) 965-5850, Darnella Smith-Murray

Missouri State Office, 1201 Business Loop, 70 West, Parkade Center, Suite 235, Columbia, MO 65203, (573) 876-0990, TDD (573) 876-9301, Randall L. Griffith

Montana State Office, Unit 1, Suite B, 900 Technology Blvd., Bozeman, MT 59715, (406) 585-2518, TDD (406) 585-2562, Craig Hildreth

Nebraska State Office, Federal Building, Room 152, 100 Centennial Mall N, Lincoln, NE 68508, (402) 437-5567, TDD (402) 437-5093, Byron Fischer

Nevada State Office, 1390 South Curry Street, Carson City, NV 89703-9910, (775) 887-1222 (ext. 13), TDD (775) 885-0633, William L. Brewer

New Hampshire State Office, Concord Center, Suite 218, Box 317, 10 Ferry Street, Concord, NH 03301-5004, (603) 223-6046, TDD (603) 229-0536, Jim Fowler

New Jersey State Office, Tarnsfield Plaza, Suite 22, 790 Woodland Road, Mt. Holly, NJ 08060, (609) 265-3631, TDD (609) 265-3687, George Hyatt, Jr.

New Mexico State Office, 6200 Jefferson St., NE, Room 255, Albuquerque, NM 87109, (505) 761-4944, TDD (505) 761-4938, Carmen N. Lopez

New York State Office, The Galleries of Syracuse, 441 S. Salina Street, Suite 357, Syracuse, NY 13202, (315) 477-6419, TDD (315) 477-6447, George N. Von Pless

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Oregon State Office, 101 SW Main, Suite 1410, Portland, OR 97204-3222, (503) 414-3325, TDD (503) 414-3387, Margo Donelin

Pennsylvania State Office, One Credit Union Place, Suite 330, Harrisburg,

PA 17110-2996, (717) 237-2281, TDD (717) 237-2261, Gary Rothrock
Puerto Rico State Office, New San Juan Office Bldg., Room 501, 159 Carlos E. Chardon Street, Hato Rey, PR 00918-5481, (787) 766-5095 (ext. 254), TDD 1-800-274-1572, Lourdes Colon

Rhode Island—Served by Massachusetts State Office

South Carolina State Office, Strom Thurmond Federal Building, 1835 Assembly Street, Room 1007, Columbia, SC 29201, (803) 765-3432, TDD (803) 765-5697, Larry D. Floyd
South Dakota State Office, Federal Building, Room 210, 200 Fourth Street, SW, Huron, SD 57350, (605) 352-1132, TDD (605) 352-1147, Dwight Wullweber

Tennessee State Office, Suite 300, 3322 West End Avenue, Nashville, TN 37203-1084, (615) 783-1300, TDD (615) 783-1397, G. Benson Lasater

Texas State Office, Federal Building, Suite 102, 101 South Main, Temple, TX 76501, (254) 742-9755, TDD (254) 742-9712, Eugene G. Pavlat

Utah State Office, Wallace F. Bennett Federal Building, 125 S. State Street, Room 4311, Salt Lake City, UT 84147-0350, (801) 524-4324, TDD (801) 524-3309, Robert L. Milianta

Vermont State Office, City Center, 3rd Floor, 89 Main Street, Montpelier, VT 05602, (802) 828-6028, TDD (802) 223-6365, Sandra Mercier

Virgin Islands—Served by Florida State Office

Virginia State Office, Culpeper Building, Suite 238, 1606 Santa Rosa Road, Richmond, VA 23229, (804) 287-1582, TDD (804) 287-1753, Carlton Jarratt

Washington State Office, Suite B, 1835 Black Lake Boulevard, SW, Olympia, WA 98512-5715, (360) 704-7707, TDD (360) 704-7760, Deborah Davis

Western Pacific Territories—Served by Hawaii State Office

West Virginia State Office, Federal Building, 75 High Street, Room 320, Morgantown, WV 26505-7500, (304) 291-4793, TDD (304) 284-5941, Sue Snodgrass

Wisconsin State Office, 4949 Kirschiling Court, Stevens Point, WI 54481, (715) 345-7620 (ext. 7145), TDD (715) 345-7614, Sherry Engel

Wyoming State Office, 100 East B, Federal Building, Room 1005, PO Box 820, Casper, WY 82602, (307) 261-6315, TDD (307) 261-6333, Charles Huff

FOR FURTHER INFORMATION CONTACT: For general information, applicants may contact David Layfield, Farm Labor

Housing Loan Specialist, or Mary Fox, Senior Loan Specialist of the Multi-Family Housing Processing Division, Rural Housing Service, United States Department of Agriculture, Stop 0781, 1400 Independence Avenue, SW, Washington, DC, 20250, telephone (202) 720-1604 (voice) (this is not a toll free number) or (800) 877-8339 (TDD-Federal Information Relay Service).

SUPPLEMENTARY INFORMATION:

Programs Affected

The Farm Labor Housing Program is listed in the Catalog of Federal Domestic Assistance under Number 10.405, Farm Labor Housing Loans and Grants. Rental Assistance is listed in the Catalog under Number 10.427, Rural Rental Assistance Payments.

Definitions

Farm Labor. Farm labor includes services in connection with cultivating the soil, raising or harvesting any agriculture or aquaculture commodity; or in catching, netting, handling, planting, drying, packing, grading, storing, or preserving in its unmanufactured state any agriculture or aquaculture commodity; or delivering to storage, market, or a carrier for transportation to market or to process any agricultural or aquacultural commodity.

Migrant Agricultural Laborers. Agricultural laborers and family dependents who establish a temporary residence while performing agriculture work at one or more locations away from the place they call home or home base. (This does not include day-haul agricultural workers whose travels are limited to work areas within one day of their work locations.)

Off-Farm Labor Housing. Housing for farm laborers regardless of the farm where they work.

Operating Assistance. Assistance toward the cost of operating off-farm migrant farmworker projects financed under sections 514 or 516 of the Housing Act of 1949. Projects that receive operating assistance may not receive tenant-specific rental assistance (RA).

Discussion of Notice

I. Authority and Distribution Methodology

A. Authority

The Farm Labor Housing program is authorized by the Housing Act of 1949: Section 514 (42 U.S.C. 1484) for loans and section 516 (42 U.S.C. 1486) for grants. Tenant subsidies (rental assistance (RA)) and operating assistance for migrant projects are

available through section 521 (42 U.S.C. 1490a). Sections 514 and 516 provide RHS the authority to make loans and grants for financing off-farm housing to broad-based nonprofit organizations, nonprofit organizations of farmworkers, federally recognized Indian tribes, agencies or political subdivisions of State or local government, and public agencies (such as local housing authorities). In addition, RHS is authorized under section 514 to make loans to finance off-farm housing to limited partnerships in which the general partner is a nonprofit entity.

B. Distribution Methodology

The amounts available for fiscal year (FY) 2001 for off-farm housing construction are:
Section 514 loans: \$ 23,522,000
Section 516 grants \$ 10,000,000

C. Section 514 and Section 516 Funds

Section 514 loan funds and section 516 grant funds will be distributed to States based on a national competition, as follows:

1. States will accept, review, score, and rank requests in accordance with 7 CFR part 1944, subpart D. The scoring factors are:

(a) The presence and extent of leveraged assistance, including donated land, for the units that will serve program-eligible tenants, calculated as a percentage of the RHS total development cost (TDC). RHS TDC excludes non-RHS eligible costs such as a developer's fee. Leveraged assistance includes, but is not limited to, funds for hard construction costs, section 8 or other non-RHS tenant subsidies, and state or federal funds. A minimum of ten percent leveraged assistance is required to earn points; however, if the total percentage of leveraged assistance is less than ten percent and the proposal includes donated land, two points will be awarded for the donated land. Points will be awarded in accordance with the following table. (0 to 20 points)

Percentage	Points
75 or more	20
60-74	18
50-59	16
40-49	12
30-39	10
20-29	8
10-19	5
0-9	0
Donated land in proposals with less than ten percent total leveraged assistance	2

(b) Seasonal, temporary, migrant housing. (5 points for up to and including 50 percent of the units; 10 points for 51 percent or more.)

2. States will rank preapplications by point score. For point-score ties within the State, rank order will be determined by giving first preference to the application with the greatest actual percentage of leveraged assistance. In case of further same-State ties, rank order will be determined by lottery.

3. The National office will rank all requests nationwide and distribute funds to States in rank order, within funding and RA limits. If insufficient funds or RA remain for the next ranked proposal, the Agency will select the next ranked proposal that falls within the remaining levels.

II. Funding Limits

A. Individual requests may not exceed \$2.5 million (total loan and grant).

B. No State may receive more than 30 percent of the total available funds.

C. Rental Assistance and Operating Assistance will be held in the National office for use with section 514 loans and section 516 grants.

III. Application Process

All applications for sections 514 and 516 funds must be filed with the appropriate Rural Development State office and must meet the requirements of 7 CFR part 1944, subpart D, and section IV of this NOFA. Incomplete applications will not be reviewed and will be returned to the applicant. No application will be accepted after 5:00 pm, local time, on April 25, 2001 unless date and time is extended by another Notice published in the **Federal Register**.

IV. Application Submission Requirements

A. Each application shall include all of the information, materials, forms and exhibits required by 7 CFR part 1944, subpart D, as well as comply with the provisions of this NOFA. Applicants are encouraged, but not required, to include a checklist and to have their applications indexed and tabbed to facilitate the review process. The Rural Development State office will base its determination of completeness of the application and the eligibility of each applicant on the information provided in the application.

B. Applicants are advised to contact the Rural Development State office serving the place in which they desire to submit an application for application information.

V. Areas of Special Emphasis or Consideration

The selection criteria contained in 7 CFR 1944, Subpart D, includes one optional criteria set by the National

office. This fiscal year, the National office initiative will be used in the selection criteria as follows:

Up to 10 Points will be awarded based on the presence of and extent to which a tenant services plan exists that clearly outlines services that will be provided to the residents of the proposed project. These services may include but are not limited to: transportation related services, on-site English as a Second Language (ESL) classes, move-in funds, emergency assistance funds, homeownership counseling, food pantries, after school tutoring, and computer learning centers. Two points will be awarded for each resident service included in the tenant services plan up to a maximum of 10 points. Plans must detail how the services are to be administered, who will administer them, and where they will be administered. All tenant service plans must include letters of intent from any party administering each service, including the applicant. (0 to 10 points)

Dated: December 15, 2000.

James C. Kearney,

Administrator, Rural Housing Service.

[FR Doc. 00-32622 Filed 12-22-00; 8:45 am]

BILLING CODE 3410-XV-U

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Funds Availability (NOFA) for section 533 Housing Preservation Grants

AGENCY: Rural Housing Service (RHS), USDA.

ACTION: Notice.

SUMMARY: The Rural Housing Service (RHS) announces that it is soliciting competitive applications under its Housing Preservation Grant (HPG) program. The HPG program is a grant program which provides qualified public agencies, private nonprofit organizations, and other eligible entities grant funds to assist very low- and low-income homeowners repair and rehabilitate their homes in rural areas, and to assist rental property owners and cooperative housing complexes to repair and rehabilitate their units if they agree to make such units available to low- and very low-income persons. This action is taken to comply with Agency regulations found in 7 CFR part 1944, subpart N, which requires the Agency to announce the opening and closing dates for receipt of preapplications for HPG funds from eligible applicants. The intended effect of this Notice is to

provide eligible organizations notice of these dates.

DATES: The closing deadline for receipt of all applications in response to this NOFA is 5:00 p.m., local time for each Rural Development State office on March 26, 2001. The application closing deadline is firm as to date and hour. RHS will not consider any application that is received after the closing deadline. Applicants intending to mail applications must provide sufficient time to permit delivery on or before the closing deadline date and time. Acceptance by a post office or private mailer does not constitute delivery. Facsimile (FAX) and postage due applications will not be accepted.

ADDRESSES: Applicants wishing to apply for assistance must contact the Rural Development State office serving the place in which they desire to submit an application to receive further information and copies of the application package. Rural Development will date and time stamp incoming applications to evidence timely receipt, and, upon request, will provide the applicant with a written acknowledgment of receipt. A listing of Rural Development State offices, their addresses, telephone numbers, and person to contact follows:

Note: Telephone numbers listed are not toll-free.

Alabama State Office, Suite 601, Sterling Centre, 4121 Carmichael Road, Montgomery, AL 36106-3683, (334) 279-3455, TDD (334) 279-3495, James B. Harris
Alaska State Office, 800 West Evergreen, Suite 201, Palmer, AK 99645, (907) 761-7705, TDD (907) 745-6494, Miguel Correa
Arizona State Office, Phoenix Corporate Center, 3003 N. Central Ave., Suite 900, Phoenix, AZ 85012-2906, (602) 280-8765, TDD (602) 280-8706, Johnna Vargas
Arkansas State Office, 700 W. Capitol Ave., Rm. 3416, Little Rock, AR 72201-3225, (501) 301-3250, TDD (501) 301-3279, Cathy Jones
California State Office, 430 G Street, Agency 4169, Davis, CA 95616-4169, (530) 792-5819, TDD (530) 792-5848, Millie Manzanedo or Jeff Deiss
Colorado State Office, 655 Parfet Street, Room E100, Lakewood, CO 80215, (303) 236-2801 (ext. 122), TDD (303) 236-1590, "Sam" Mitchell
Connecticut—Served by Massachusetts State Office
Delaware & Maryland State Office, 5201 South Dupont Highway, PO Box 400, Camden, DE 19934-9998, (302) 697-4353, TDD (302) 697-4303, Pat Baker
Florida & Virgin Islands State Office, 4440 N.W. 25th Place, Gainesville, FL 32614-7010, (352) 338-3465, TDD (352) 338-3499, Joseph P. Fritz
Georgia State Office, Stephens Federal Building, 355 E. Hancock Avenue, Athens,

- GA 30601-2768, (706) 546-2164, TDD (706) 546-2034, Wayne Rogers
- Guam—Served by Hawaii State Office
- Hawaii, Guam, & Western Pacific Territories State Office, Room 311, Federal Building, 154 Waiuanuenue Avenue, Hilo, HI 96720, (808) 933-8316, TDD (808) 933-8321, Abraham Kubo
- Idaho State Office, Suite A1, 9173 West Barnes Dr., Boise, ID 83709, (208) 378-5630, TDD (208) 378-5644, LaDonn McElligott
- Illinois State Office, Illini Plaza, Suite 103, 1817 South Neil Street, Champaign, IL 61820, (217) 398-5412 (ext. 256), TDD (217) 398-5396, Barry L. Ramsey
- Indiana State Office, 5975 Lakeside Boulevard, Indianapolis, IN 46278, (317) 290-3100 (ext. 423), TDD (317) 290-3343, John Young
- Iowa State Office, 873 Federal Building, 210 Walnut Street, Des Moines, IA 50309, (515) 284-4493, TDD (515) 284-4858, Bruce McGuire
- Kansas State Office, 1200 SW Executive Drive, PO Box 4653, Topeka, KS 66604, (785) 271-2718, TDD (785) 271-2767, Gary Schumaker
- Kentucky State Office, 771 Corporate Drive, Suite 200, Lexington, KY 40503, (859) 224-7325, TDD (859) 224-7422, Paul Higgins
- Louisiana State Office, 3727 Government Street, Alexandria, LA 71302, (318) 473-7962, TDD (318) 473-7655, Yvonne R. Emerson
- Maine State Office, 967 Illinois Ave., Suite 4, PO Box 405, Bangor, ME 04402-0405, (207) 990-9110, TDD (207) 942-7331, Dale D. Holmes
- Maryland—Served by Delaware State Office
- Massachusetts, Connecticut, & Rhode Island State Office, 451 West Street, Amherst, MA 01002, (413) 253-4333, TDD (413) 253-7068, Donald Colburn
- Michigan State Office, 3001 Coolidge Road, Suite 200, East Lansing, MI 48823, (517) 324-5192, TDD (517) 337-6795, Philip Wolak
- Minnesota State Office, 410 AgriBank Building, 375 Jackson Street, St. Paul, MN 55101-1853, (651) 602-7820, TDD (651) 602-3799, Jackie Goodnough
- Mississippi State Office, Federal Building, Suite 831, 100 W. Capitol Street, Jackson, MS 39269, (601) 965-4325, TDD (601) 965-5850, Darnella Smith-Murray
- Missouri State Office, 601 Business Loop 70 West, Parkade Center, Suite 235, Columbia, MO 65203, (573) 876-0990, TDD (573) 876-9301, Gary Frisch
- Montana State Office, Unit 1, Suite B, 900 Technology Blvd., Bozeman, MT 59715, (406) 585-2515, TDD (406) 585-2562, Craig Hildreth
- Nebraska State Office, Federal Building, room 152, 100 Centennial Mall N, Lincoln, NE 68508, (402) 437-5567, TDD (402) 437-5093, Byron Fischer
- Nevada State Office, 1390 South Curry Street, Carson City, NV 89703-9910, (775) 887-1222 (ext. 13), TDD (775) 885-0633, William L. Brewer
- New Hampshire State Office, Concord Center, Suite 218, Box 317, 10 Ferry Street, Concord, NH 03301-5004, (603) 223-6046, TDD (603) 229-0536, Jim Fowler
- New Jersey State Office, Tarnsfield Plaza, Suite 22, 790 Woodland Road, Mt. Holly, NJ 08060, (609) 265-3631, TDD (609) 265-3687, George Hyatt, Jr.
- New Mexico State Office, 6200 Jefferson St., NE, Room 255, Albuquerque, NM 87109, (505) 761-4944, TDD (505) 761-4938, Carmen N. Lopez
- New York State Office, The Galleries of Syracuse, 441 S. Salina Street, Suite 357, Syracuse, NY 13202, (315) 477-6419, TDD (315) 477-6447, George N. Von Pless
- North Carolina State Office, 4405 Bland Road, Suite 260, Raleigh, NC 27609, (919) 873-2062, TDD (919) 873-2003, Eileen Nowlin
- North Dakota State Office, Federal Building, Room 208, 220 East Rosser, PO Box 1737, Bismarck, ND 58502, (701) 530-2049, TDD (701) 530-2113, Kathy Lake
- Ohio State Office, Federal Building, Room 507, 200 North High Street, Columbus, OH 43215-2477, (614) 469-5165, TDD (614) 469-5757, Gerald Arnett
- Oklahoma State Office, 100 USDA, Suite 108, Stillwater, OK 74074-2654, (405) 742-1070, TDD (405) 742-1007, Phil Reimers
- Oregon State Office, 101 SW Main, Suite 1410, Portland, OR 97204-3222, (503) 414-3325, TDD (503) 414-3387, Joyce Hein
- Pennsylvania State Office, One Credit Union Place, Suite 330, Harrisburg, PA 17110-2996, (717) 237-2281, TDD (717) 237-2261, Gary Rothrock
- Puerto Rico State Office, New San Juan Office Bldg., Room 501, 159 Carlos E. Chardon Street, Hato Rey, PR 00918-5481, (787) 766-5095 (ext. 254), TDD 1-800-274-1572, Lourdes Colon
- Rhode Island—Served by Massachusetts State Office
- South Carolina State Office, Strom Thurmond Federal Building, 1835 Assembly Street, Room 1007, Columbia, SC 29201, (803) 765-3432, TDD (803) 765-5697, Larry D. Floyd
- South Dakota State Office, Federal Building, Room 210, 200 Fourth Street, SW, Huron, SD 57350, (605) 352-1132, TDD (605) 352-1147, Dwight Wullweber
- Tennessee State Office, Suite 300, 3322 West End Avenue, Nashville, TN 37203-1084, (615) 783-1300, TDD (615) 783-1397, G. Benson Lasater
- Texas State Office, Federal Building, Suite 102, 101 South Main, Temple, TX 76501, (254) 742-9755, TDD (254) 742-9712, Eugene G. Pavlat
- Utah State Office, Wallace F. Bennett Federal Building, 125 S. State Street, Room 4311, Salt Lake City, UT 84147-0350, (801) 524-4324, TDD (801) 524-3309, Robert L. Milianta
- Vermont State Office, City Center, 3rd Floor, 89 Main Street, Montpelier, VT 05602, (802) 828-6028, TDD (802) 223-6365, Sandra Mercier
- Virgin Islands—Served by Florida State Office
- Virginia State Office, Culpeper Building, Suite 238, 1606 Santa Rosa Road, Richmond, VA 23229, (804) 287-1582, TDD (804) 287-1753, Carlton Jarratt
- Washington State Office, Suite B, 1835 Black Lake Boulevard, SW, Olympia, WA 98512-5715, (360) 704-7707, TDD (360) 704-7760, Deborah Davis
- Western Pacific Territories—Served by Hawaii State Office
- West Virginia State Office, Federal Building, 75 High Street, Room 320, Morgantown, WV 26505-7500, (304) 291-4793, TDD (304) 284-5941, Sue Snodgrass
- Wisconsin State Office, 4949 Kirschling Court, Stevens Point, WI 54481, (715) 345-7620 (ext. 7145), TDD (715) 345-7614, Sherry Engel
- Wyoming State Office, 100 East B, Federal Building, Room 1005, PO Box 820, Casper, WY 82602, (307) 261-6315, TDD (307) 261-6333, Charles Huff

FOR FURTHER INFORMATION CONTACT: For general information, applicants may contact Tracee Lilly, Senior Loan Officer, Multi-Family Housing Processing Division, Rural Housing Service, United States Department of Agriculture, Stop 0781, 1400 Independence Avenue, SW, Washington, DC, 20250, telephone (202) 720-1604 (voice) (this is not a toll free number) or (800) 877-8339 (TDD-Federal Information Relay Service).

SUPPLEMENTARY INFORMATION:

Programs Affected

This program is listed in the Catalog of Federal Domestic Assistance under Number 10.433, Rural Housing Preservation Grants. This program is subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials (7 CFR part 3015, subpart V). Applicants are referred to 7 CFR 1944.674 and 1944.676(f), (g), and (h) for specific guidance on these requirements relative to the HPG program.

Application Requirements

7 CFR part 1944, subpart N provides details on what information must be contained in the preapplication package and the project selection criteria. Entities wishing to apply for assistance should contact the Rural Development State office to receive further information, the State allocation of funds, and copies of the preapplication package. Eligible entities for these competitively awarded grants include state and local governments, nonprofit corporations, Federally recognized Indian Tribes, and consortia of eligible entities.

Funding Information

The funding instrument for the HPG program will be a grant agreement. The term of the grant can vary from 1 to 2 years, depending on available funds and demand. No maximum or minimum grant levels have been established at the National level.

You should contact the State office to determine the allocation and the State

maximum grant level, if any. For FY 2001, \$8,000,000 is available for the Housing Preservation Grant Program. A set aside of \$600,000 has been established for grants located in Empowerment Zones, Enterprise Communities, and REAP Zones and \$6,600,000 has been distributed under a formula allocation to States pursuant to 7 CFR part 1940, subpart L, "Methodology and Formulas for Allocation of Loan and Grant Program Funds". Decisions on funding will be based on preapplications.

Dated: December 15, 2000.

James C. Kearney,

Administrator, Rural Housing Service.

[FR Doc. 00-32623 Filed 12-22-00; 8:45 am]

BILLING CODE 3410-XV-U

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Availability of Funding and Requests for Proposals for Guaranteed Loans Under the Section 538 Guaranteed Rural Rental Housing Program

AGENCY: Rural Housing Service, USDA.

ACTION: Notice.

SUMMARY: This Notice of Fund Availability (NOFA or Notice) announces the timeframe and submission requirements and deadlines to submit proposals in the form of "NOFA responses" for the section 538 Guaranteed Rural Rental Housing Program (GRRHP). Eligible lenders, as defined in paragraph IX.(D) of this NOFA, are invited to submit NOFA responses for the development of affordable rental housing to serve rural America. Only responses submitted by eligible lenders, on the lender's letterhead, and signed by both the applicant and the lender will be reviewed. This Notice describes the overall NOFA response and application process, including the selection and identification of any priorities for selection of NOFA responses, and the process by which the Rural Housing Service (RHS or Agency) will score and rank the NOFA responses. Information will also be included concerning the submission requirements. Lenders may submit a complete application concurrently with the NOFA response.

DATES: The Fiscal Year (FY) 2001 program dollars will be allocated through a continuous selection process. On a monthly basis starting with the third Thursday of January (January 18, 2001) and each third Thursday of the month through August 16, 2001, or until

all funds are expended, the agency will review all NOFA responses that have been received monthly.

Lenders will submit responses that are ready to be processed to a complete application once the NOFA selection is made. NOFA responses will be reviewed for completeness and eligibility, and if so deemed, lenders will be requested to submit a full application and the required application fee of \$2,500.00 within 90 days of selection, if not already submitted.

Applications will be sent to the Rural Development State office in which the project is located. If an application is not submitted within 90 days from the date of the letter notifying the lender of the NOFA selection, the selection is subject to cancellation, thereby allowing another NOFA response that is ready to proceed with processing to be selected. A completed application may be submitted with the NOFA response. However, a completed application and application fee must be submitted by the August 16, 2001 NOFA response date. The deadline for receipt of NOFA responses is 4:00 PM, Eastern Standard or Daylight Time, whichever is then applicable, each third Thursday of the month. Lenders intending to mail a NOFA response must provide sufficient time to permit delivery on or before the closing deadline date and time. Acceptance by a U. S. Post Office or private mailer does not constitute delivery. Postage due NOFA responses or applications will not be accepted. NOFA responses received after the deadlines previously mentioned and before August 16, 2001, will be held for the next month's review if funds remain. The NOFA submission deadline dates are as follows:

- Thursday, January 18, 2001, 4:00 P.M. EDT/EST
- Thursday, February 15, 2001, 4:00 P.M. EDT/EST
- Thursday, March 15, 2001, 4:00 P.M. EDT/EST
- Thursday, April 19, 2001, 4:00 P.M. EDT/EST
- Thursday, May 17, 2001, 4:00 P.M. EDT/EST
- Thursday, June 21, 2001, 4:00 P.M. EDT/EST
- Thursday, July 19, 2001, 4:00 P.M. EDT/EST
- Thursday, August 16, 2001, 4:00 P.M. EDT/EST

When all funds have been exhausted, a notice will be placed in the **Federal Register** to notify the public.

ADDRESSES: Responses for participation in the program must be identified as "Section 538 Guaranteed Rural Rental Housing Program" on the envelope and

be submitted to: Director, Multi-Family Housing Processing Division, Rural Housing Service, U.S. Department of Agriculture, Room 1263 (STOP 0781), 1400 Independence Ave. SW, Washington, DC 20250-0781.

FOR FURTHER INFORMATION CONTACT:

Joyce Allen, Deputy Director, Guaranteed Loans, Multi-Family Housing Processing Division, U.S. Department of Agriculture, South Agriculture Building, Room 1271, STOP 0781, 1400 Independence Ave. SW, Washington, DC 20250-0781. E-mail: jallen@rdmail.rural.usda.gov. Telephone: (202) 690-4499. This number is not toll-free. Hearing or speech impaired persons may access that number by calling the Federal Information Relay Service toll-free at (800) 877-8339.

SUPPLEMENTARY INFORMATION: The GRRHP is operated under 7 CFR part 3565. The Guaranteed Rural Rental Housing Program Origination and Servicing Handbook (HB-1-3565) is available to provide lenders and the general public with the "how to" administrative guidance needed to administer the program. HB-1-3565, which contains a copy of 7 CFR part 3565 in Appendix 1, may be found on the Rural Development Regulation web site internet address of "http://rdinit.usda.gov/regs" or copies may be obtained from the Rural Housing Service Multi-Family Housing Processing Division at 202-720-1604. This is not a toll-free number. Hearing- or speech-impaired persons may access that number by calling the Federal Information Relay Service toll-free at (800) 877-8339.

Discussion of Notice

I. Purpose and Program Summary

On March 28, 1996, President Clinton signed the Housing Opportunity Program Extension Act of 1996, Public Law 104-120, authorizing the section 538 Guaranteed Rural Rental Housing Program (GRRHP). The program is designed to increase the supply of affordable multi-family housing through partnerships between Rural Housing Service (RHS) and major lending sources, as well as state and local housing finance agencies and bond issuers. Tax exempt financing can be used as a source of capital for the guaranteed loan. Qualified lenders will be authorized to originate, underwrite, and close loans for multi-family housing projects requiring new construction or acquisition with rehabilitation of at least \$15,000 per unit when the acquisition results in the creation of new affordable housing units. RHS may guarantee such

loans upon presentation and review of appropriate certifications, project information and satisfactory completion of the appropriate level of environmental review by RHS. Lenders will be responsible for the full range of loan management, servicing, and property disposition activities associated with these projects. The lender will be expected to provide servicing or contract for servicing of each loan it underwrites. The maximum guarantee for a permanent loan will be 90 percent of the unpaid principal and interest of the loan, and in the case of a construction loan, the maximum guarantee will be 90 percent of the work in place, or up to 90 percent of the amounts actually advanced by the lender, whichever is less. Any losses would be split on a pro-rata basis between the lender and the Agency from the first dollar lost.

II. Allocation

Fiscal year (FY) 2001 budget authority provides approximately \$100 million in program dollars. All FY 2001 funds will be held in the National office. There are no set-asides for the GRRHP for FY 2001.

III. The NOFA Response Process

Lenders should respond to the section 538 NOFA only when they have completed a preliminary underwriting analysis and are willing to make the proposed loan, subject to, among other conditions, to the issuance of a guarantee by the Agency. Unfortunately, the Agency has found that in some instances, this has not been the case. In an effort to reduce the number of unacceptable NOFA responses and judiciously commit program dollars to projects that demonstrate a readiness to proceed, the Agency will strictly adhere to the submission requirements found in chapter 4 of HB-1-3565.

In the interest of time, lenders have the option of submitting a combined NOFA response and application. However, the Agency will not give preference to a submission containing both a NOFA response and an application. Lenders who submit complete applications are encouraged, but not required, to include a checklist of the items listed in paragraph 4.9, of HB-1-3565 and to have their

applications indexed and tabbed to facilitate the review process.

NOFA responses will be reviewed for completeness and eligibility, and if so deemed, the lender will be asked to submit a full application and the required application fee of \$2,500.00. The application and fee must be submitted within 90 days of the date the lender receives the selection letter, unless the Agency has agreed to an extension because the applicant is waiting for a determination of their application for tax credits, or other sources of project funds, from an allocating governmental or quasi-governmental Agency and the applicant is scheduled to be notified after the initial 90 day time frame has expired. Applications and fees will be sent to the Rural Development State office in which the project is located. If an application is not submitted within 90 days from the date of the letter notifying the lender of the NOFA selection, the selection is subject to cancellation, thereby allowing another NOFA response that is ready to proceed with processing to be selected.

To submit a complete application, the lender will work with the Agency to complete the appropriate level of environmental review in accordance with 7 CFR part 1940, subpart G, prior to the issuance of the Conditional Commitment, loan approval, or obligation of funds, whichever occurs first. In addition, the Agency will determine that the Civil Rights Impact Analysis Certification and all other Federal requirements, including intergovernmental review (RD Instruction 1940-J) and flood insurance requirements (7 CFR part 1806 subpart B), both available in any Rural Development office, have been met prior to taking any official action on an application for a loan guarantee.

IV. Interest Credit

Assistance can include both loan guarantees and interest credits. For at least 20 percent of the loans made under the program, RHS will provide the borrower with interest credits to reduce the interest rate of the loan by a maximum of 250 basis points. However, in no instance will the lender's interest rate be reduced to lower than the Applicable Federal Rate as such term is

used in section 42(I)(2)(D) of the Internal Revenue Code of 1986.

RHS will provide interest credit on loans up to \$1.5 million. Lenders with proposals that could be viable with or without interest credits are encouraged to submit a NOFA response reflecting financial and market feasibility under both funding options. A request in the NOFA response to be considered under both options will not affect the rating of the response for interest credit selection. However, once the interest credit funds are exhausted, only those NOFA responses requesting consideration under both funding options or the Non-Interest Credit option will be further considered.

Due to limited interest credit funds and the Agency's responsibility to target and give priority to rural areas most in need, NOFA responses requesting to receive interest credit must score a minimum threshold of 70 points. The NOFA responses will be scored on the basis of the criteria as described in 7 CFR 3565.5(b) and as published in paragraph VIII of this NOFA. In the event that requests exceed available funds, the interest credit NOFA responses will be ranked and scored separately using the same selection criteria as described above. In the event of ties, selection between proposals will be by lot.

V. NOFA Response Requirements

NOFA response requirements are subject to change. It is important to note that all responses must be submitted in accordance with the terms of this NOFA, which are different from the NOFA issued in FY 2000.

Selections will be based on the lender's review of project feasibility and merit.

At a minimum, the information contained in the following sample NOFA Response must be submitted by the lender, on lender's letterhead, and be signed by both the lender and the applicant. Incomplete responses will not be considered, and the lender will be notified of the reason that the response was incomplete. The required NOFA Response information is listed as follows:

Sample NOFA Response:

BILLING CODE 3410-XY-J

Lender Name	Lender organization name.
Lender Tax Id Number	Insert number.
Lender Contact Name	Name of the lender contact for loan.
Mailing Address	Complete mailing address for lender.
Phone Number	Phone number for lender contact.

Fax Number	Insert number.
E-mail Address	Insert E-mail address.
Borrower Name And Organization Type	State whether borrower is a Limited Partnership, Corporation, Indian Tribe, etc.
Tax Classification Type	State whether borrower is full profit, not for profit, etc.
Borrower Tax Id Number	Insert number.
Borrower Address, including County	Insert Address and County.
Borrower Phone Number	Insert Number.
Principal Or Key Member	Insert name and title.
Borrower Information And Statement Of Housing Development Experience	Attach relevant information.
New Construction Or Repair/Rehab. Of At Least \$15,000/Unit.	State whether the project is new construction or repair/rehab.
Project Location Town	Town in which the project is located.
Project County	County in which the project is located.
Project State	State in which the project is located.
Project Zip Code	Insert Number.
Project Congressional District	Congressional District for project location.
Project Name	Insert project name.
Project Type	Family, Senior or Mixed.
Property Description And Proposed	See Attached.

Development Schedule	
Total Project Development Cost	Enter amount for total project.
Number Of Units	The total number of units in the project.
Cost Per Unit	Total development cost divided by number of units.
Bedroom Mix	Number of units by number of bedrooms.
Rent	Proposed rent structure.
Median Income For Community	Provide median income for the project community.
Evidence Of Site Control	Attach relevant information.
Description Of Any Environmental Issues	Attach relevant information.
Loan Amount	Insert the loan amount.
Interest Credit (IC)	Is interest credit requested for this loan (Yes or No).
If Above Is Yes, Should Proposal Be Considered Under Non-IC Selection, If IC Funds Are Exhausted?	If Yes, proposal must show financial feasibility for NON-IC consideration.
Borrower's Proposed Equity	Insert Amount.
TAX CREDITS	Are tax credit to be provided to project?
Other Sources Of Funds	List all funding sources.
Loan To Value	Guaranteed loan divided by value.
Debt Coverage Ratio	Net Operating Income divided by debt payments.
Percentage Of Guarantee	Percentage guarantee requested.
Collateral	Attach relevant information.

EZ/EC	Yes or No. Is the project in EZ/EC community?
Colonia Or Tribal Lands	Yes or No. Is the project in a Colonia or on an Indian Reservation?
Presidential Declared Disaster Area	Yes or No
Population	Must be within the 20,000 population limit set for the program.
Is A Guarantee For Construction Advances Being Requested?	Yes or No. (The Agency will guarantee construction advances, only as part of a combination construction and permanent loan).
Loan Term	Fixed rate, up to a 40 year term, must be fully amortizing. Note: Balloon mortgages are not eligible.
Basis Points Over 10 Year Treasury	Insert relevant number.

VI. Lender Submission Requirements

(A) Lender Eligibility and Approval Status: Evidence that the lender is either an approved lender for the purposes of the GRRHP or that the lender is eligible to apply for approved lender status as defined in paragraph IX.(D) of this NOFA will be submitted.

(B) Lender Certification: A commitment letter or certification by the lender that the lender will make a loan to the borrower for the proposed project, under specified terms and conditions subject to the issuance of a guarantee by the Agency. The lender certification must be on the lender's letterhead, and be signed by both the lender and the applicant, and will be submitted by the lender to the Agency.

VII. Competitive Criteria

To expedite the review of the NOFA responses, RHS suggests using the sample NOFA response checklist found in paragraph V. of this NOFA to ensure that all the submission requirements

and competitive criteria of this NOFA have been addressed.

VIII. Selection Criteria

NOFA responses will be reviewed as received on a first come first serve basis on the third Thursday of each month. In the event that demand exceeds available funds, priorities will be assigned to eligible proposals on the basis of the following criteria as described in 7 CFR 3565.5(b) and as published in this NOFA. In the event of ties, selection between proposals will be by lot. Points will be assigned as follows:

(A) Projects located in rural communities with the smallest population will receive priority. All proposals will be ranked in order of their population. The proposals will be given a point score starting with the project located in the area with the lowest population receiving 20 points, the next 19 points and so forth, until up to 20 projects have received points.

(B) The most needy communities as determined by the median income from

the most recently available census data. The proposals will be given a point score starting with the community having the lowest median income receiving 20 points, the next 19 points and so forth until up to 20 proposals have received points.

(C) Partnering and leveraging in order to develop the maximum number of housing units and promote partnerships with state and local communities, including other partners with similar housing goals. Leveraging points will be awarded as follows:

Loan to value ratio (percentage %)	Points
More than 75	10
70-75	15
Less than 70	20

(D) Loans with interest rates less than the maximum allowable 250 basis points over the 10 Year Treasury Bond Yield will be awarded points as follows (fractional basis points will be rounded to the nearest whole basis point):

Interest rate	Points
More than 200 basis points	0
200 to 151 basis points, inclusive	5
150 to 100 basis points, inclusive	10
99 to 50 basis points, inclusive	15
Less than 50 basis points	20

(E) Preference will be given to proposals having a higher percentage of 3–5 bedroom units to total units. The proposals will be ranked in order of this percentage with the proposal with the highest percent receiving 20 points, the next 19 points and so forth until up to 20 projects have received points.

(F) Proposals to be developed in a colonia, on tribal land, in an Empowerment Zone or Enterprise Community, or in a place identified in the State consolidated plan or State needs assessment as a high need community for multifamily housing (20 points).

(G) Projects will be ranked by the length of the amortization period, with the longest receiving priority as follows:

Amortization (Yrs.)	Points
40	20
At least 35	15
At least 30	10
At least 20	5
Less than 20	0

IX. Additional Information

(A). Maximum Interest Rate

The maximum allowable interest rate on a loan submitted for a guarantee is 250 basis points over the 10-year Treasury Bond Yield as published in the Wall Street Journal as of the business day prior to the business day the yield is set.

(B). Surcharges for Guarantee of Construction Advances

There is no surcharge for guarantee of construction advances for FY 2001.

(C). Program Fees for FY 2001

(1) There is an initial guarantee fee of 1% of the total guarantee amount which will be due when the loan guarantee is issued. For purposes of calculating this fee, the guarantee amount is the product of the percentage of the guarantee times the initial principal amount of the guaranteed loan.

(2) There is an annual renewal fee of 0.5% of the guaranteed outstanding principal balance charged each year or portion of the year that the guarantee is in effect. This fee will be collected prospectively on January 1, of the calendar year.

(3) There is no fee for site assessment and market analysis or preliminary feasibility in FY 2001.

(4) There is a non-refundable application fee of \$2,500 when the application is submitted following proposal selection under the NOFA.

(5) There is a flat fee of \$500 when a lender requests RHS to extend the term of a guarantee commitment.

(6) There is a flat fee of \$500 when a lender requests RHS to reopen a guarantee commitment after the period of the commitment lapses.

(7) There is a flat fee of \$1,250 when a lender requests RHS to approve the transfer of property and assumption of the loan to an eligible applicant.

(8) There is no lender application fee for lender approval in FY 2001.

(D). Eligible Lenders for section 538 Approval

The application for lender approval must be made at the same time as the first loan application. The first loan application means: (1) The first application for a loan guarantee for a new loan; or (2) The first application before ownership of any GRRHP loan is transferred to that lender. A lender must be approved before a loan guarantee is issued or a guaranteed loan is acquired.

An eligible lender must be a licensed business entity or Housing Finance Authority (HFA) in good standing in the

state or states where it conducts business; be approved by the Agency; and meet at least one of the criteria contained below. Lenders who are not eligible may participate in the program if they maintain a correspondent relationship with a lender who is eligible. An eligible lender must:

(1) Meet the qualifications of, and be approved by, the Secretary of Housing and Urban Development to make multi-family housing loans that are to be insured under the National Housing Act;

(2) Meet the qualifications and be approved by Fannie Mae or Freddie Mac to make multi-family housing loans that are to be sold to such corporations;

(3) Be a state or local Housing Finance Authority, or a member of the Federal Home Loan Bank system, with a demonstrated ability to underwrite, originate, process, close, service, manage, and dispose of multifamily housing loans in a prudent manner;

(4) Be a lender who meets the requirements for Agency approval contained in 7 CFR part 3565 subpart C and has a demonstrated ability to underwrite, originate, process, close, service, manage, and dispose of multifamily housing loans in a prudent manner; or

(5) Be a lender who meets the following requirements in addition to the other requirements of 7 CFR part 3565 subparts C and I:

(a) Have qualified staff to perform multi-family housing servicing and asset management;

(b) Have facilities and systems that support servicing and asset management functions; and

(c) Have documented procedures for carrying out servicing and asset management responsibilities.

Dated: December 15, 2000.

James C. Kearney,

Administrator, Rural Housing Service

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